

FINANCIAL PROCEDURE RULES

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FINANCIAL MANAGEMENT

GENERAL PRINCIPLES

- 1.1 These Rules lay down the principles to be followed in securing a proper administration of the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on its behalf and shall be reviewed at intervals of not more than three years.
- 1.2 References in these Rules to Chief Officers, are to Officers who are Assistant Director and above.
- 1.3 Every Chief Officer shall bring these Rules and other internal governance/regulatory documents to the attention of relevant staff and ensure they comply with them.
- 1.4 The Council has designated an officer as the responsible Officer under Section 151 of the Local Government Act 1972 and Part VIII of the Local Government Act 1988 for the proper administration of its financial affairs ("the Chief Finance Officer"). The functions of the Chief Finance Officer are set out in Article 12 of the Constitution and in a CIPFA statement issued in April 2010 entitled "CIPFA Statement on the role of Chief Financial Officer in Local Government" A Statement on the Role of the Finance Director in Local Government".
- 1.5 Each Chief Officer shall consult the Chief Finance Officer about any matter which may materially affect the finances of the Council before any commitment is incurred or before reporting thereon to the Executive or any other decision maker. The Chief Finance Officer may take any action he considers necessary, taking into consideration his duties under Section 114 of the 1988 Act. Section 114 requires the Chief Finance Officer to report to the full Council, Executive and External Auditor if the Council or one of its Officers;
 - Has made or is about to make a decision which involves incurring unlawful expenditure.
 - Has taken or is about to take an unlawful action which has resulted or would result in a loss or deficiency to the Council.
 - Is about to make an unlawful entry in the Council's accounts.
- 1.6 The Council has approved separate financial regulations for the delegation of financial management to schools under the Education Reform Act 1988.
- 1.7 The Chief Finance Officer shall report to the Council any significant failure to comply with these Rules which comes to his attention.

2. Interpretations and Definitions

- 2.1 In the event of any conflict between EU law, English law and these Rules and Council Policy, the requirements of EU law shall prevail over English law and the requirements of English law shall prevail over these Rules and Council Policy.
- 2.2 Any reference to legislation, primary or secondary, shall include any amendments/replacements made from time to time.
- 2.3 All figures specified in these Rules are exclusive of VAT.
- 2.4 In the event of any doubt as to the interpretation of these Rules, or as to proper procedure to be followed, advice should be sought from the Chief Finance Officer in the first instance.
- 2.5 In these Rules the words and phrases below have the following meanings:

“Accounting Codes of Practice”	means any Code of Practice issued by the Chartered Institute of Public Finance Accountants or other relevant regulatory body.
“Approver”	means an Officer with delegated authority to approve the payment of an invoice on the Council’s electronic payments system
“BACS”	means the Bankers Automated Clearing Service
“Best Value”	has the same meaning as that defined in the Local Government Act 1999 as amended from time to time.
“Budget and Policy Framework”	Means the budget and policy framework approved by the Council from time to time.
“Budget Release”	Means a decision under the Council’s Scheme of Delegation to make funds available for a specific Capital project.
“Budget Holder”	means an Officer responsible for a specific Council budget.
“Capital”	means expenditure on items which are of a long term value.
“Capital Programme”	means the programme of Capital schemes approved by the Council each year as part of

	the budget setting process.
“Certifying Officer”	means an Officer with delegated authority to certify the approval given by an Approver
“CHAPS”	means the Clearing House Automated Payment System
“Chief Finance Officer”	Means the Officer designated under Rule 1.4 or their nominee as appropriate.
“CIPFA”	Means the Chartered Institute of Public Finance Accountants
“Closedown”	Means the completion of the process of preparing the Statement of Accounts
“Contract”	means a legally binding agreement between the Council and a contractor for the procurement by the Council of all Goods, Services, the execution of Works and Concessions and which incorporates the terms and conditions under which the Goods, Services, execution of Works and Concessions will be provided which, for the avoidance of doubt, includes the appointment of consultant architects, surveyors and other professionals and also any supplier or subcontractor nominated by the Council in connection with a Contract.
“Contract Procedure Rules”	means the written code of procedures forming part of the Council’s constitution which provide a framework for the proper procurement of Goods Services and Works on behalf of the Council and the management of Contracts.
“Corporate Finance System”	means the electronic system for the management of the Council’s financial transactions
“Council Tax”	means the tax payable in respect of dwellings situated in the Borough of Wigan

	pursuant to the Local Government Finance Act 1992
“Department”	means a service which is the responsibility of a Chief Officer
“External Auditor”	means the external auditor appointed by the Council pursuant to the Regulations
“Faster Payment Service”	means the service provided by banks for the electronic transfer of funds more quickly than BACS.
“Financial Year”	means the period from 1 April in any year until 31 March in the following year
“General Terms and Conditions”	means the standard terms and conditions to be included in Council Contracts as contained in the Procurement Manual
“Goods”	means an inherently useful tangible item required by the Council, from time to time.
“Goods Receipt Note”	means a written record of the receipt of Goods by the Council
“IT Security Policy”	means the Council’s policy for the security of electronic data and communications as issued by the Council from time to time
“Imprest Account”	Means a form of financial accounting system where a fixed amount is deposited, and when depleted is then replenished back to the fixed amount.
“Internal Audit”	means the Officers responsible for delivering the Council’s internal audit function pursuant to the Regulations
“Key Decision”	has the same meaning as set out in the Council’s constitution.
“LASAAC”	Means Local Authority (Scotland) Accounts Advisory Committee

“Money Laundering Reporting Officer”	Means the person nominated by the Chief Finance Officer pursuant to Regulation 20(2)(d) of the Money Laundering Regulations 2007
“Officer”	means any employee of the Council which shall include any person engaged by the Council to act as an agent or consultant on its behalf.
“Payroll System”	means the electronic system for managing the Council’s human resources and payroll information
“Purchase Card”	means a charge card which works in a similar way to a credit card and can be used to purchase Goods or Services
“Procurement Manual”	Means the document issued from time to time by the Council containing guidance on the proper procurement of Goods Services and Works on behalf of the Council and the management of Contracts.
“Regulations”	means the Accounts and Audit Regulations 2015 as amended or replaced from time to time, which implement the EU public procurement directives.
“Revenue”	Means expenditure on day to day running costs the Authority incurs in providing services.
“Rules”	means these Financial Procedure Rules.
“Risk Register”	means the corporate risk register maintained by the Council
“Scheme of Delegation”	means the scheme identified within the Council’s constitution which delegates powers and duties of the Council to Officers under Section 101 of the Local Government Act 1972 and all other powers enabling such delegation necessary for the discharge of the

	Council's functions.
"Services"	means the time, effort and expertise required by the Council, from time to time, and supplied by a Contractor.
"SRO"	means "Senior Responsible Officer" and is the Officer delegated in the Council's Scheme of Delegation with responsibility for the relevant service .
"SRO for Legal"	means the "Senior Responsible Officer for Legal" and is the most senior Officer delegated in the Council's Scheme of Delegation for Legal Services or their nominee or in default of such delegation, the Council's Monitoring Officer.
"Statement of Accounts"	Means a summary of financial transactions which have occurred over a given period the format of which is prescribed by Accounting Codes of Practice
"Treasury Management Practices"	Details how the authority manages the cash resources of the authority
"Value for Money"	means the optimum combination of whole-life costs, price, quality and benefits to meet the Council's requirement. Such a term equates to the EU procurement requirement of most economically advantageous offer as well as the duty of Best Value as defined by the Local Government Act 1999 as amended from time to time.
"Virement"	means the transfer of expenditure from one budget head to another within a single budget

2 ACCOUNTING

- 2.1 The Chief Finance Officer shall determine all accounting procedures, financial systems and accounting records for the Council and its Officers in accordance with the Regulations.
- 2.2 Where such procedures and records are maintained in a Department other than that of the Chief Finance Officer, then the Chief Finance Officer shall consult the Chief Officer of the Department concerned before making any determination.
- 2.3 All Departments must use the Council's corporate, integrated accounting system for their financial management requirements. The Chief Finance Officer shall be consulted on any proposal to develop alternative systems.
- 2.4 Approval for such developments shall be made by the Executive following the submission of a joint report from the Chief Officer and the Chief Finance Officer outlining the potential benefits of the proposal.
- 2.5 The Chief Finance Officer shall prepare and maintain a manual of financial and accounting procedures to be operated in the Council.
- 2.6 Chief Officers shall submit promptly all relevant information to the Chief Finance Officer who shall be responsible for the timely submission of all grant claims. The Regulations provide that proper accounting records shall, in particular, be kept in relation to Government Grants, whether paid by a Government Department, an agency or grants from European Union institutions.
- 2.7 The Chief Finance Officer shall ensure that accounting procedures as determined by him are observed and that the accounts of the Council and supporting records are kept up to date in accordance with the Regulations
- 2.8 The Chief Finance Officer shall ensure the preparation of the Statement of Accounts of the Council for audit and public inspection in accordance with the timetable included at Section 10.5 of the Regulations.
- 2.9 The Council shall publish a Statement of Accounts in accordance with the timetable included at Paragraph 10 of the Regulations as soon as practicable following the end of the Financial Year to which the accounts relate. The Statement will conform to the Code of Practice on Local Authority Accounting in the U.K. which has been developed by CIPFA/LASAAC under the oversight of the Financial Reporting Advisory Board.
- 2.7 At the end of each Financial Year each Chief Officer will supply information to the Chief Finance Officer in such form and by such a date as he may determine to enable him to close the Council's accounts promptly.
- 2.8 The following principles shall be observed in the allocation of accounting duties;

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

3 FINANCIAL PLANNING

BUDGET PROCEDURE RULES

- 3.1 The full Council is responsible for adopting the budget within which the Executive operates as set out in the Council's Constitution. This includes the allocation of financial resources to different services and projects, proposed contingency funds, the Council Tax base, setting the Council Tax and decisions relating to the control of the Council's borrowing requirements, the control of its Capital expenditure and the setting of Virement limits.
- 3.2 The form of Capital and Revenue estimates shall be determined by the Chief Finance Officer.
- 3.3 Revenue and Capital estimates shall be prepared by Chief Officers under the direction of the Chief Finance Officer and within budget guidelines set by the Council, and reported to the Chief Officers' Strategic Management Team, and the Executive.
- 3.4 Chief Officers are responsible for the continuous exercise of budgetary control throughout the Financial Year. They shall nominate appropriate Budget Holders within their Department to be responsible for designated areas of the budget. Budget Holders shall satisfy themselves that any delegated actions are carried out in accordance with these Rules.
- 3.5 Any proposal to the Executive or to Council, which involves expenditure or income, shall be supported by a statement of financial implications and budgetary provision in a report by the Chief Officer concerned, following consultation with the Chief Finance Officer.
- 3.6 Any proposal in respect of any new service or project or in pursuance of a new policy or an extension of an existing policy involving continuing financial commitment, unless specifically approved in the annual Revenue estimates, must be the subject of a report to the Executive and to Council.
- 3.7 It shall be the responsibility of each Chief Officer, in consultation with the Chief Finance Officer, to submit regular budget monitoring statements to the Executive on both Revenue and Capital accounts in a form approved by the Chief Finance Officer. The Chief Finance Officer shall submit such composite monitoring reports, as he considers appropriate.

- 3.8 Where the Council operates in partnership or other arrangement, the roles and responsibilities of all parties must be clearly defined within a sound framework of effective controls. All proposed financial arrangements must be subject to the prior approval of the Chief Finance Officer and subject to such subsequent compliance checks as they shall deem necessary.

4 CAPITAL EXPENDITURE PROGRAMME

- 4.1 Capital estimates shall be submitted to the Executive for inclusion in the Council's Capital Programme.
- 4.2 The information required for Capital estimates shall be determined by the Chief Finance Officer.
- 4.3 Capital schemes will not be included on the Capital Programme unless approval has been obtained from the Chief Finance Officer to confirm that;
- Any scheme relying on the use of borrowing powers has been properly appraised and provides value for money.
 - All sources of funding (general fund, Capital grants, prudential borrowing (the cost of which must be self-financing from Revenue budgets) etc.) are identified for the entire programme.
- 4.4 Capital budgets are set by Council and may be amended only by Council or by the Chief Finance Officer where any amendment to an individual scheme has a value of no more than £2m.
- 4.5 Capital spend may only be incurred where a budget has been approved and once Budget Release has been secured. Approval to Budget Release should be sought from the decision maker as part of the process for seeking approval for the award of a Contract as set out in the Council's Scheme of Delegation and the Procurement Manual. The decision maker may not grant Budget Release unless Officers have demonstrated to the satisfaction of the Chief Finance Officer or his nominated Officers that all the necessary legal, procurement and Value for Money aspects of a project have been considered. The Decision Maker will be set out in the relevant report on Decision Making process as per the Constitution.
- 4.6 The Chief Finance Officer will undertake a quarterly review of the Capital Programme and provide an update of anticipated expenditure, slippage and additions/deletions to the Executive and Council if necessary.
- 4.7 Chief Officers are responsible for monitoring Capital expenditure and receipts against their approved Capital budgets, and reporting to the Chief Finance Officer through such forum as he may designate on any project slippage and variations, and on any changes in projected expenditure.
- 4.8 Capital expenditure involving external contractors should be incurred only in accordance with the Council's Contract Procedure Rules.

4.9 For further guidance officers should refer to the Capital Programme manual.

5 REVENUE BUDGETS

5.1 The Council is required to set its Council Tax for any Financial Year by the 11th March of the preceding Financial Year (Section 30 (6) Local Government Finance Act 1992).

5.2 Proposed Revenue budgets for the following Financial Year shall be submitted to the Executive not later than the last working day in February in each year.

5.3 Revenue budgets shall be prepared on an out turn basis and shall be treated as being cash limited for the purposes of budgetary control. The Council may provide centrally for such contingencies as it may see fit. Requests for the release of such contingency sums will only be granted following a report from the Chief Finance Officer.

5.4 With the approval of the Executive or in accordance with the current Scheme of Delegation to Officers as contained within the Constitution Part 3, Section 5, Virement may be exercised so as to transfer sums between heads of approved estimates. The following conditions shall apply to Virement;

- Virement shall only take place between expenditure which is directly under the control of the relevant Chief Officer.
- Virement shall not be used to create a commitment beyond the end of the Financial Year in which it is exercised.

5.5 Where it appears that the amount of any head of estimate of approved expenditure may be exceeded or the amount of any head of approved income may not be reached, it shall be the duty of the Chief Officer concerned, after consultation with the Chief Finance Officer to inform the Executive.

5.6 The Chief Finance Officer shall satisfy himself that such systems and information as are used by Chief Officers for the exercise of budgetary control are adequate.

5.7 The Executive is responsible for agreeing procedures for carrying forward any under and over-spending on budget heads.

6. RISK MANAGEMENT AND INSURANCE

6.1 The Chief Finance Officer shall prepare and promote the Council's risk management policy and advise on the management of strategic and operational risks.

- 6.2 Chief Officers shall take responsibility for risk management within their areas of responsibility, having regard to advice from the Chief Finance Officer and other specialist Officers (e.g. legal, crime prevention, fire prevention, health and safety), and shall undertake regular reviews of risk within their own Departments.
- 6.3 Chief Officers shall be responsible for the identification, classification and control of all risks falling within their areas of responsibility. The risks identified shall be incorporated into the Risk Register, which shall be subject to periodic review at no more than annual intervals. Risk Registers will be shared on request with the Chief Finance Officer.
- 6.4 Chief Officers are responsible for the preparation and maintenance of business continuity plans for their service areas and should ensure that such plans are regularly reviewed and tested.
- 6.5 The Chief Finance Officer shall be responsible for the arrangement of all commercial insurance, and will deal with all insurance claims in consultation with other Officers where necessary. The SRO for Legal shall deal with all claims concerned with Public Liability, Employer's Liability and Personal Accident Insurance.
- 6.6 The Chief Finance Officer shall prepare and maintain a manual of insurance procedures to be followed within the Council.
- 6.7 Chief Officers shall give prompt notification to the Chief Finance Officer of all new risks or new properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 6.8 Chief Officers shall immediately notify the Chief Finance Officer, or as the case may be, the SRO for Legal in writing of any loss, liability or damage or any event likely to lead to a claim, and inform the police where appropriate. Chief Officers shall provide the Chief Finance Officer with all claims and settlement information necessary for the evaluation of the risk.
- 6.9 All appropriate employees of the Council shall be included in suitable fidelity guarantee insurance.
- 6.10 The Chief Finance Officer shall annually, or at any other time as they may consider necessary, review all insurances in consultation with other Chief Officers as appropriate.
- 6.11 The Chief Finance Officer shall offer insurance cover to Schools in accordance with the relevant Council policies.
- 6.12 The terms of any indemnity which the Council is requested to give shall be settled by the –SRO for Legal in consultation with the Chief Finance Officer and other appropriate Officers.

7. AUDIT

7.1 The Council shall maintain an adequate and effective system of internal audit of the accounting records and control systems. The Chief Finance Officer is the responsible Officer for the purposes of the requirements of regulation 5 of the Regulations. The Internal Audit function will have due regard to the Auditing Practices Board guidelines as interpreted in the United Kingdom Public Sector Internal Audit Standards.

7.2 The Chief Finance Officer or their authorised representative shall have authority to;

- Enter at all reasonable times on any Council premises or land.
- Have access to all systems, records, documents and correspondence relating to any financial and other transactions of the Council.
- Require and receive such explanations as are necessary concerning any matter under examination.
- Require any Officer or Member of the Council to produce cash, stores or any other Council property under his/her control.

7.3 The Chief Finance Officer will develop and maintain an Anti-Fraud & Corruption Strategy that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity.

7.4 The Chief Finance Officer will appoint a Money Laundering Reporting Officer to ensure that systems are in place to counter opportunities for money laundering and ensure that appropriate reports are made.

7.5 Chief Officers are responsible for;

- Complying with the Anti-Fraud & Corruption Strategy.
- Ensuring there are sound systems of internal control for fraud prevention and detection.
- Reporting cases of fraud and irregularity to the Chief Finance Officer and for complying with the Council's Whistleblowing Policy.
- Implementing audit recommendations within agreed timescales.
- Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.

7.6 The Chief Finance Officer may investigate and report on any matter which he believes involves or may involve irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the

functions of the Council. A central log of all fraud and irregularity investigations will be maintained by Internal Audit.

- 7.7 Where an investigation of fraud or irregularity finds there are sufficient grounds to believe that a criminal act may have been committed the Chief Officer shall consult with the Chief Finance Officer and, as appropriate, with the SRO for Legal, before referring the matter to the police for investigation.
- 7.8 Any confirmed irregularities may result in the Council taking disciplinary action against those responsible.

8 BANKING ARRANGEMENTS AND CHEQUES

- 8.1 All arrangements with the Council's bankers shall be made by or under arrangements approved by the Chief Finance Officer, who shall be authorised to operate such accounts with the Council's bankers or as they consider necessary. Opening or closing any bank account shall require the approval of the Chief Finance Officer.
- 8.2 All cheques other than cheques drawn on authorised Imprest Accounts, shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.
- 8.3 All payment methods, whether physical (e.g. cheques) or electronic shall include appropriate authorisations, approvals and signatures as determined by the Chief Finance Officer. Cheques drawn on the Council's main banking accounts shall be signed by the Chief Finance Officer or by another Officer authorised to do so, or shall bear the facsimile signature of the Chief Finance Officer.
- 8.4 The Chief Finance Officer shall ensure regular reconciliations are carried out on all bank accounts under the relevant delegations.

9. INVESTMENTS, BORROWING AND TRUST FUNDS

- 9.1 The Council has adopted the key recommendations described in Section 4 of the CIPFA Treasury Management Code of Practice.
- 9.2 The Council will create and maintain, as the cornerstones of effective treasury management;
- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities.
 - Suitable Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

- 9.3 The Executive will receive regular monitoring reports on the Council's treasury management policies, practices and activities. In addition, an annual strategy and plan in advance of the Financial Year, a mid year review report on the operation and exercise of delegated treasury management powers, and an annual report after the end of the Financial Year will be submitted to full Council. The annual report will be presented no later than 31st July of the succeeding Financial Year in the form prescribed in the TMPs.
- 9.4 This Council has delegated responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Council's Treasury Management Policy Statement, TMPs and the CIPFA Standard of Professional Practice on Treasury Management.
- 9.5 The SRO for Legal shall hold all securities, which are the property of, or are in the name of the Council, or its nominees.,
- 9.6 All borrowings shall be arranged in the name of the Council.
- 9.7 The Chief Finance Officer shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.
- 9.8 All trust funds shall wherever possible be in the name of the Council.
- 9.9 All Officers acting as trustees by virtue of their official position shall deposit all securities, etc., relating to the trust with the SRO for- Legal unless the deed otherwise provides. Where funds are held on behalf of third parties, the responsible Officers must arrange for their secure administration, as approved by the Chief Finance Officer, and maintain written records of all transactions.
- 9.11 Chief Officers shall ensure that no finance leases or borrowings are entered into without the approval of the Chief Finance Officer

10. ESTATES

- 10.1 The SRO for Leisure and Property shall maintain an asset register in compliance with the appropriate Accounting Codes of Practice and statutory requirements as determined by the Chief Finance Officer.
- 10.2 The SRO for Legal shall have the custody of all title deeds under secure arrangements.
- 10.3 The Council's processes and procedures regarding the disposal of surplus land and property are attached as Appendix 1 to this document. The use of any proceeds generated by any sales will be determined by the Chief Finance Officer from time to time

11. INVENTORIES, STOCKS AND STORES

- 11.1 Each Chief Officer shall be responsible for the care and custody of any inventory, stock and/or stores in his/her Department.
- 11.2 Each Chief Officer shall maintain a record in which must be recorded an adequate description of all moveable, valuable property, stocks and stores. The form of the record is to be determined by the appropriate Chief Officer with the agreement of the Chief Finance Officer.
- 11.3 Each Chief Officer shall be responsible for providing means of identification on all items on their departmental inventory, for undertaking an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and updating the inventory.
- 11.4 The Council's property shall only be used for the Council's business, unless the Chief Officer concerned issues specific directions otherwise.
- 11.5 Excessive stocks shall not be held.
- 11.6 Chief Officers shall arrange for periodical test examinations of all items held by persons other than store-keepers and shall ensure that all stocks are checked at least once in every year.
- 11.7 The Chief Finance Officer shall receive from each Chief Officer such information, as he requires in relation to accounting, costing and financial records. Store records shall be kept held so that the value of the stock is in accordance with the latest relevant accounting standards, as determined by the Chief Finance Officer
- 11.8 Chief Officers shall have delegated authority to dispose of surplus items by competitive tender, public auction or other suitable method.

12 PROTECTION OF PRIVATE PROPERTY

- 12.1 The SRO for Adult Social Care and Health shall ensure that an itemised inventory is prepared of private property belonging to any person admitted to residential care by the Council or resident in a supported accommodation scheme property;

- Where it is necessary to prevent loss or damage, or,
- Where financial assessment purposes may require.

Two Officers must prepare such an inventory at the same time.

- 12.2 The SRO for Adult Social Care and Health shall hold all valuables such as jewellery, watches, and other small articles of a similar nature and documents of title in safe custody. If circumstances warrant, he should consult with the Chief Finance Officer.

13 SECURITY

- 13.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, documentation and information under his/her control. He/she shall consult the Chief Finance Officer and the SRO for- Legal (if appropriate) in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 13.2 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without his express permission.
- 13.3 Keys to safes and similar receptacles are to be carried on the person of those responsible at all times. The loss of any such keys must be reported to the Chief Finance Officer forthwith.
- 13.4 Each Chief Officer shall be responsible for maintaining proper security and privacy as respects information held within the Council's installations, or for its use, in respect of those systems for which he/she is the responsible person under the Data Protection Act 1998.
- 13.5 All Chief Officers shall comply with the standards and principles set down in the Council's I.T. Security Policy.
- 13.6 Waste materials such as paper, discs, tapes etc., containing confidential data must be kept in a secure environment until disposed of. Disposal must be carried out under controlled conditions which ensure the effective destruction of the material concerned.

14 FINANCIAL SYSTEMS AND PROCEDURES

The Guide to Financial Processes and Procedures sets out in further detail the arrangement and procedures that should be followed as part of duties carried out in respect of the areas set out below.

PETTY CASH / IMPREST ACCOUNTS

- 14.1 The Chief Finance Officer shall provide Petty Cash or Imprest Accounts for such Officers of the Council as required.

INCOME

- 14.2 The arrangements for the collection of all money due to the Council shall be determined by the Chief Finance Officer.
- 14.3 The Chief Finance Officer will ensure that fees and charges for services are reviewed at least annually. Chief Officers should consult with the Chief Finance Officer on the financial effects of any review of fees and charges and obtain the approval of the Executive to any proposal to introduce new charges. Approval to any changes will be obtained as part of the budget setting process under Rule 5.
- 14.4 The Chief Finance Officer shall be notified promptly of all money due to the Council, of any contracts, leases and other agreements entered into which involve the receipt of money by the Council and the Chief Finance Officer shall have the right to inspect any documents or other evidence in this connection as he may decide.
- 14.5 All arrangements for the receipt of income and the methods of payment used shall be subject to the approval of the Chief Finance Officer.
- 14.6 In cases where Works have been carried out or Goods or Services supplied to third parties for which the raising of a Council invoice is required, each Chief Officer shall be responsible for the prompt raising of debtor accounts in connection with the Works completed, Goods supplied or Services rendered and of all other amounts due. Relevant signed contracts or official purchase orders shall be obtained prior to carrying out any Works or supplying any Goods or Services to a third party. The Chief Finance Officer shall satisfy himself that the arrangements for raising such debtor accounts and recovering income are adequate. The Chief Finance Officer shall make arrangements to ensure the recovery of income due.

In cases where a Council invoice is not raised, the Chief Officer is responsible for the recovery of amounts due. All methods of receiving income shall be subject to the approval of the Chief Finance Officer. Payment by cash or cheque is no longer a widely accepted form of payment. Chief Officers wishing to receive money by this method shall obtain the agreement of the Chief Finance Officer.

- 14.7 All receipt forms, books, tickets and other such items shall be in a form approved by the Chief Finance Officer. Arrangements for ordering, storing and issuing such controlled stationery shall also be subject to his approval.
- 14.8 All money received by an Officer on behalf of the Council shall without delay be paid to the Chief Finance Officer or, as he may direct, into the Council's bank account or transmitted directly to any other body or person entitled thereto. No deduction may be made from such money unless the Chief Finance Officer authorises.
- 14.9 Personal cheques shall not be cashed out of the cash held on behalf of the Council.

- 14.10 Every transfer of cash from one member of staff to another will be evidenced in the records by the Departments concerned by the signature of the receiving Officer.

15 ORDERS FOR WORK, GOODS AND SERVICES

- 15.1 All Officers and Members of the Council have a duty to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with the appropriate Codes of Conduct.
- 15.2 The procurement of Work, Goods or Services must comply with the Council's Contract Procedure Rules. Chief Officers shall ensure that all Officers observe the relevant thresholds for obtaining quotes and tenders.
- 15.3 Official purchase orders shall be issued for all Works, Goods or Services to be supplied to the Council except for automatic supplies from statutory undertakers (e.g. gas, water and electricity), for periodical payments such as rent or rates, for petty cash purchases or such other exceptions as the Chief Finance Officer may approve. Official orders shall be raised using the Corporate Finance System and/or be in a form approved by the Chief Finance Officer and are to be authorised only by suitable Officers so designated by the appropriate Chief Officer. The Chief Officer shall be responsible for official orders issued from his/her Department and for ensuring that the cost is within approved estimates.
- 15.4 Purchase Cards may also be used to pay, at the point of ordering, for Works, Goods or Services supplied to the Council. Purchase Cards should not be used to pay supplier invoices received after the Goods or Services have been received. Purchase Cards are held by designated Officers within each Department as authorised by the relevant Chief Officer who shall also approve the appropriate financial limits for each purchase card. Officers in possession of purchase cards must follow agreed procedures and protocols as agreed by Chief Finance Officer.
- 15.5 Each order which is issued in respect of Works, Goods or Services which are not the subject of a Contract in writing shall include reference to the Council's Standard Terms and Conditions.
- 15.6 Official purchase orders must not be used for any personal, private or unofficial purchases nor must personal or private use be made of Council contracts or similar arrangements.

16 PAYMENT OF ACCOUNTS

- 16.1 The method of payment of money due from the Council shall be by BACS, Purchase Card, cheque, direct debit or other instrument (including approved electronic transfers such as CHAPS) drawn on the Council's bank account by the Chief Finance Officer.

- 16.2 Payments by other instruments shall be fully supported by proper, certified documentation in all cases. Loans, leases or rental agreements as methods of payment must not be entered into without the prior approval of the Chief Finance Officer.
- 16.3 All invoices shall be passed to Chief Finance Officer for processing immediately upon receipt.
- 16.4 Before approving an invoice, the Approver shall be satisfied that;
- The Goods or Services have been received, or Works carried out, examined and approved. In respect of invoices relating to a purchase order raised on the Corporate Finance System, a Goods Receipt Note will need to be completed electronically before payment can be released.
 - The prices, extensions, calculations, trade discounts, other allowances, credits and tax rates are correct.
 - The relevant expenditure has been properly incurred and is within the relevant estimate provision.
 - Appropriate entries have been made in inventories, stores records or stock books as required.
 - The account has not been previously passed for payment and is a proper liability of the Council.

In exceptional circumstances, where there is demonstrable financial benefit to the Council, the Chief Finance Officer may authorise payment in advance.

- 16.5 Payments to sundry creditors shall not be made unless approved by the Chief Finance Officer.
- 16.6 Chief Officers responsible for any payment systems outside of the Corporate Finance System which either generate a direct payment file or export file to be paid via the Corporate Finance System shall ensure that proper procedures, as approved by the Chief Finance Officer, are in place to validate the payment file. The Certifying Officer for the payment file shall be either a Chief Officer or an appropriate Officer as determined by the relevant Chief Officer and notified to the Chief Finance Officer.
- 16.7 Payments made by Faster Payment or CHAPS directly from the Council's bank account shall be examined, verified and certified by three separate officers who shall both print and sign their names on the payment pro-forma. The certifying Officer shall be either a Chief Officer or an Approver within the Corporate Finance System as agreed by the relevant Chief Officer and notified to the Chief Finance Officer. The payment request should be emailed by the certifying officer or the certifying officer should be copied in to ensure no subsequent amendments have been made.

- 16.8 Payments should not be made on any photocopied invoice, statement or document other than a formal invoice whether electronic or paper. Any amendment to a paper invoice shall be made in ink and signed by the Officer making it, stating briefly the reasons where they are not self-evident. No amendments must be made to VAT amounts.
- 16.9 Each Chief Officer shall, as soon as possible after 31st March in each year and in accordance with the Closedown timetable for that year, notify the Chief Finance Officer of all outstanding expenditure relating to the previous Financial Year.
- 16.10 Payments made by Purchase Card should be made in accordance with the Authority Council's Purchase Card Rules and procedures. Purchase Cards issued to individuals are for the sole use by the named card holder. Individual card holders are responsible for ensuring that records of all payments are retained, scanned and uploaded in to the Corporate Finance System and that all transactions are reviewed electronically on a monthly basis to ensure that all transactions are valid with the VAT correctly apportioned.
- 16.11 Chief Officers should ensure that Purchase Card transactions are approved electronically on a monthly basis by an appropriate Officer (Approver).
- 16.12 A list of all Purchase Card holders and their card limits, shall be issued on an annual basis to the relevant Chief Officer to review.

17 SALARIES, WAGES AND PENSIONS INCLUDING TRAVEL COSTS

- 17.1 The payment of all salaries, wages, compensation and other emoluments to all employees or former employees of the Council and to Members in accordance with the Members Allowance Scheme shall be made under arrangements approved by the Chief Finance Officer.
- 17.2 The SRO for Human Resources is responsible for;
- Providing a corporate payroll system for recording all payroll data and generating payments to employees and members, including payment of pensions and expenses.
 - The proper calculation of all pay and allowances, National Insurance and pension contributions, income tax and other deductions.
 - Completing all HMRC returns regarding PAYE and providing advice and guidance on employment related taxation.
 - Maintaining an accurate and up to date record of the Council's establishment.
- 17.3 Each Chief Officer shall give notice as soon as possible and in the form prescribed, of all matters affecting the payment of such emoluments, and in particular;

- Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - Changes in remuneration, other than normal increments, and pay awards and agreements of general application.
 - Absences from duty for sickness or other reason, apart from annual leave entitlement.
 - Information necessary to maintain records of service for pension purposes, income tax, National Insurance and the like.
 - Claims for travel, subsistence and other relevant employee expenses.
- 17.4 Appointment of all employees shall be made in accordance with the regulations of the Council and the approved establishments, grades and rates of pay.
- 17.5 All time records or other instruments for payment shall be in a form prescribed or approved by the Chief Finance Officer.
- 17.6 Requests for an advance payment of salary will be paid only with the express approval of the Chief Finance Officer.
- 17.7 Adjustments for under or nil payments will be authorised by the Chief Officer or other Officer as delegated by the Chief Officer and notified to the SRO for Human Resources
- 17.8 All payments shall be authorised by an appropriate Officer as determined by the relevant Chief Officer.
- 17.9 Significant travel costs such as trains and accommodation should be done via Purchase Cards in advance of any journey.
- 17.10 Officers' claims submitted more than six months after the expenses were incurred will be paid only with the express approval of the Chief Finance Officer or by Officers designated by the Chief Finance Officer.

18 TAXATION

- 18.1 The Chief Finance Officer is responsible for the proper administration of the procedures to identify the Council's liability to taxation and entitlement to tax relief.
- 18.2 The Chief Finance Officer shall ensure that financial control systems bring all tax liabilities to account and that tax is recovered to the fullest possible extent as early as possible.
- 18.3 The Chief Finance Officer shall issue appropriate guidance and provide necessary instruction and training, as he deems necessary.

- 18.4 The Chief Finance Officer shall report periodically on the Council's tax affairs to the Executive.
- 18.5 Chief Officers shall consult with the Chief Finance Officer as soon as possible about expenditure or income proposals, which may have tax implications. Reports to the Council (and its Executive, Committees or Panels) should identify tax implications where appropriate.

19 PROCESS FOR MAINTAINING A LIST OF AUTHORISED SIGNATORIES

- 19.1 A list of Approvers and Certifying Officers shall be held in either the Corporate Finance System or Payroll System.
- 19.2 Approvers and Certifying Officers within the Corporate Finance System will be reviewed and agreed by the relevant Chief Officer on a quarterly basis. All payments made within the Corporate Finance System shall be approved electronically.
- 19.3 Approvers within the Payroll System are determined by the organisation's structure as agreed by the relevant Chief Officer under the formal delegation process for recording HR decisions.
- 19.4 Hard copy documentation shall be authorised by the personal signature of the Chief Officer or other officer as delegated by the Chief Officer and notified to the SRO for Human Resources .

APPENDIX 1 - DISPOSAL OF SURPLUS LAND AND PROPERTY

Introduction

The Council has a significant portfolio of land and property assets held for both operational and non-operational purposes. Property disposals will reflect the ongoing requirements of the Council and disposals must secure the optimum benefits for the Council.

The objective of this procedure note is to ensure disposals are undertaken in a fair and transparent manner and in accordance with the relevant statutes.

Statutory Powers

Section 123 of the Local Government Act 1972 requires the Council to secure the best consideration that can reasonably be obtained when disposing of land and property assets.

In certain circumstances and by virtue of the Local Government Act 1972, General Disposal Consent (England) 2003 Councils may dispose of a property interest for a less than best consideration if there are social, economic or environmental benefits to the Council arising out of the disposal.

Disposal Process and Decision Making

Disposal of land and property may arise as a result of a number of differing routes including but not limited to:

- Property being vacated by services due to changing operational requirements.
- Service and asset reviews.
- Land held for strategic purposes being promoted for regeneration and development.
- Favourable capital values being generated from the sale of income producing investment assets.
- Approaches from interested parties, including adjoining landowners or parties with an existing interest in the site.
- Transfers of land and property under the Councils Community Asset Transfer Process (CAT).
- Transfers of land and property for statutory purposes e.g. Educational (Free Schools, Academies) or Housing (Right to Buy).

The disposal of land and property is managed through the Corporate Property Management Board (CPM). A flow chart of the decision making process is attached to this appendix.

If the CPM Board approves land or property for disposal for a community use then the disposal process will be managed in accordance with the Councils Community Asset Transfer Policy.

Authority to the disposal of property assets is taken in accordance with the Councils Executive Decisions procedures.

Methods of Disposal

Private treaty: A sale by private treaty occurs where negotiations are carried out between the vendor and prospective purchasers privately and on a confidential basis, normally without any limit on the time within which they must be completed. The advantages of the private treaty method are that it allows a flexible approach; time pressures are seldom imposed and it is widely understood and accepted by the general public (it is the method of sale most commonly adopted by the private sector). The major disadvantage is the lack of transparency in the process. Nevertheless, suitable cases for the use of private treaty sales would include; most dwelling houses, sales to sitting tenants, adjoining owners, of access land already held by the purchaser, sales where amalgamation of interests could release marriage value or other 'special purchaser' situations, where there is an established market or conversely where the market is depressed or there is a limited market.

Auction: A successful auction sale can quickly conclude competition and the actual sale with the successful bidder entering into a binding contract on the fall of the hammer. This, therefore potentially offers a faster sale than other methods of sale. Auctions are particularly suitable for properties for which there is likely to be keen competition from a wide market of potential cash purchasers or for properties of an unusual nature but for which there is likely to be a ready market.

Formal Tender/Informal Tender/Sealed Bid: The submission of formal tenders or sealed offers minimises possible accusations of impropriety but are only suitable in limited circumstances. Formal tenders can be employed where there is a defined market and a perceived demand for the land to be sold. As there is no flexibility in the post-tendering procedures, it is often felt that the use of this method restricts the market since interested purchasers may need to incur considerable costs before submitting offers (which, if accepted, become legally binding) without any assurance that they will be successful. The informal tender/sealed offer process is simpler, is a flexible process and does not preclude the successful purchaser or vendor from seeking to renegotiate more favourable terms even when the sale is at a fairly advanced stage to take account of any change in circumstances; any risks inherent in this can be partly overcome by stipulating time limits for exchanging contracts. As sealed offers are not contractually binding, it is possible to invite bids on the basis of a pre-set closing date (where a site is of relatively low value but there is a perceived demand) or without a closing date in the case of premises where there is no evident demand and an indefinite marketing period is warranted).

Development Agreement/Building Agreement: Historically the Council has facilitated the development of its surplus land through the use of Development/Building Agreements which have some advantages for the Council as original landowner and the developer of the site where circumstances and the market permit. In essence, disposal by building agreement means that the developer enters into a licence arrangement with the Council to deliver an agreed scheme. In a residential context this would be to construct an agreed number of houses on the site for sale to owner-occupiers. The developer has no legal title to the site which is ultimately conveyed on a plot basis to each householder on the completion of the acquisition of the bricks and mortar from the developer. In other words, the developer could pay a pro-rata proportion of the total price as each unit was completed and sold to the householder. In practice it can prove difficult to raise development finance without the ability to offer title to the development site as collateral. It is considered that phased payments are still considered appropriate in dealing with problematical sites where successful redevelopment is required on planning or other non-commercial grounds. Appropriate recommendations in relation to these sites will be made prior to commencing a disposal.

The advantages to the Council in employing building agreements are that control over the development of the site is maintained separately from the planning process since the Council retains ownership during the development period. The building agreement terms can allow for further licence fee payments where adverse ground conditions or market forces are found to be less onerous than originally anticipated. If the building agreement contains obligations on the developer to provide benefit to the Council e.g. leisure or community facilities or improved infrastructure, the arrangement may be subject to the Public Contracts Regulations 2015. Advice should be sought from the Council's Authorised Procurement Officer in these cases.

Confidentiality

Whilst the Council will have due regard to the public interest in a disposal, maintaining confidentiality in relation to the disposals process is paramount. It is recommended that details of the bidder (name / organisation) and consideration proposed are anonymised in public reports, or preferably included in full in confidential appendices to public reports.

Valuation

Valuations shall be carried out in accordance with RICS Valuation – Professional Standards UK 2014 (revised April 2015), and subject to any later amendments or variations.

Disposals at less than best consideration shall be subject to the provisions contained within Guidance Note 5 of the above RICS standards appendices, and subject to any later amendments or variations.

In general valuations will be provided by the Council's in-house valuers. However where specialised knowledge is required in order to form an opinion as to value, then

the services of the District Valuer Service or other suitably qualified independent specialist may be used on a consultancy basis.