

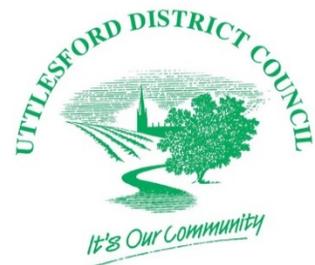


# Uttlesford District Council

## Financial Regulations



Approved by Council  
April 2020



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## **1. INTRODUCTION**

- 1.1 These Financial Regulations are based upon CIPFA guidance with amendments to reflect the Council's requirements.
- 1.2 Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on its behalf.
- 1.3 All Members and Officers have a general responsibility to provide for the security of the assets under their control, and for ensuring that the use of resources is legal, properly authorised and achieves best value.
- 1.4 Reference to the 'CFO' in this document means the Officer appointed to act as Section 151 Officer.
- 1.5 Financial Regulations are to be used in conjunction with the Constitution and Scheme of Delegation and the CFO, in consultation with the Monitoring Officer, shall determine any matter on which conflict may arise.
- 1.6 The CFO shall issue advice and guidance to underpin the financial regulations.
- 1.7 The CFO shall review the Financial Regulations and submit any revisions necessary to the Audit Committee and then Full Council for approval. The CFO shall report, where appropriate, breaches of the Financial Regulations to the Full Council and/or other appropriate committees.
- 1.8 The Regulations refer to the responsibilities of Chief Officers (COs) and Deputy Chief Officers (DCOs). In this context COs are the Chief Executive and Chief Officers as defined by the Local Government & Housing Act (LGHA) 1989. In practice this means the Monitoring Officer, Section 151 Officer (CFO) and Directors. DCOs are as defined in the LGHA 1989 and are those senior officers responsible for managing services and who report directly to a CO. The advantage of using this terminology is that future changes to structure or job title will not render the Regulations out of date.
- 1.9 Any duties and responsibilities of COs & DCOs in these Financial Regulations may be delegated to another officer with the agreement of the CFO. The terms of any such delegation shall be documented in a form approved by the CFO. Any reference to COs & DCOs in these Regulations shall be deemed to be a reference to such authorised officers.
- 1.10 Failure to observe these Regulations may be classified as misconduct justifying disciplinary action.

## **2. FINANCIAL MANAGEMENT**

### **Introduction**

- 2.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

### **Full Council**

- 2.2 The Full Council shall adopt the Council's constitution and Members' code of conduct and approve the policy framework and budget within which the Council operates. This includes responsibility for approving Financial Regulations, based upon recommendations by the Audit Committee.

### **Cabinet and Committees**

- 2.3 The Cabinet shall prepare annual estimates of revenue and capital expenditure for recommendation to the Full Council as part of the annual budget setting process. The Cabinet shall monitor the use of approved budgets.
- 2.4 The Audit Committee shall discharge the functions of an audit committee including approval of the audited annual statement of accounts and receiving internal audit and external audit reports. The Committee shall monitor progress against improvement plans including those arising from the external audit and inspection programme.
- 2.5 The Audit Committee shall review and scrutinize the policies and performance of the Council including the scrutiny of financial management arrangements and the examination of specific financial issues or areas of underperformance at the request of the Council or Committees.

### **Chief Finance Officer (CFO)**

- 2.6 The CFO has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:
- Local Government Act 1972
  - Local Government Finance Act 1988
  - Local Government Act 2003
  - Accounts and Audit Regulations
- 2.7 Under Section 151 of the Local Government Act 1972 the CFO is responsible for the proper administration of the Council's financial affairs.
- 2.8 Section 114 of the Local Government Finance Act 1988 requires the CFO to report to the Full Council and external auditor of the Council if one of its officers or Members:
- 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.

- 2.9 Section 114 of the 1988 Act also requires:
- the CFO to nominate a properly qualified member of staff to deputize should he or she be unable to perform the duties under section 114 personally
  - The Council to provide the CFO with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.
- 2.10 Under Section 25 of the Local Government Act 2003, the CFO shall provide advice to the Council on the robustness of estimates and adequacy of reserves. The Council shall take account of this advice when determining its annual budget and council tax requirement.
- 2.11 The CFO shall advise the Cabinet or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be ‘contrary to the budget’ include:
- initiating a new policy without sufficient funding in place for its implementation
  - committing expenditure in future years
  - incurring internal transfers above virement limits.
- 2.12 The CFO shall establish accounting policies and ensure that they are applied consistently.
- 2.13 The CFO shall determine the accounting procedures and records for the Council.
- 2.14 The CFO shall ensure that the annual statement of accounts is prepared in accordance with the CIPFA *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice*.
- 2.15 The CFO shall certify the draft statement of accounts prior to publication and audit.
- 2.16 The Audit Committee shall approve the audited annual statement of accounts.
- 2.17 The CFO is responsible for determining financial procedures and for advising Members and Officers on financial administration and management.

### **Chief Officers (COs) and Deputy Chief Officers (DCOs)**

- 2.18 COs & DCOs are defined in paragraph 1.8 above.
- 2.19 COs & DCOs shall ensure that appropriate Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the CFO or his nominee.
- 2.20 COs & DCOs shall consult collectively and individually with the CFO and seek approval on any matter liable to affect the Council’s finances before any commitments are incurred.

### **3. FINANCIAL PLANNING**

#### **Introduction**

3.1 The Full Council shall agree the Council's policy framework and budget, the latter being coordinated and proposed by the Cabinet. In terms of financial planning, the key elements are:

- Corporate Plan
- Corporate Risk Register
- Medium Term Financial Strategy
- General Fund annual revenue budget and Council Tax resolution
- Housing Revenue Account annual revenue budget
- Capital Programme
- Capital Strategy
- Treasury Management Strategy
- Commercial/Investment Strategy

#### **Policy framework**

3.2 The Full Council shall approve procedures for agreeing variations to approved budgets. The Full Council shall set the level at which the Cabinet may reallocate budget funds from one service to another. The Cabinet shall take in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council. In practice, approval of these Financial Regulations by the Council includes *inter alia* approval of these items.

#### **Budget preparation**

- 3.3 The CFO shall develop and maintain a resource allocation process that ensures due consideration of Full Council's policy framework. This shall involve both revenue and capital expenditure projections together with ensuring that all funding opportunities are investigated.
- 3.4 The CFO shall ensure that a Council revenue budget requirement is prepared on an annual basis and a general revenue projection on a minimum three-yearly basis for consideration by the Cabinet, before submission to Full Council.
- 3.5 The CFO shall ensure that a capital programme is prepared on an annual basis for consideration by the Cabinet before submission to Full Council.
- 3.6 COs & DCOs shall ensure that budget estimates reflecting agreed service plans are submitted to the Cabinet and that these estimates are prepared in line with guidance issued by the CFO. Full Council may amend the budget or ask the Cabinet to reconsider it before approving it in accordance with the Council's Budget and Policy Framework Procedure Rules.

#### **Budget monitoring and control**

3.7 The CFO shall provide appropriate financial information to enable budgets to be monitored effectively. The CFO shall monitor expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis, no less than four times during the year.

- 3.8 COs & DCOs shall control income and expenditure within their area and monitor performance, taking account of financial information provided by the CFO and advice provided by finance staff. They shall report on variances within their own areas. They shall take any action necessary to avoid exceeding their budget allocation and alert the CFO to any problems.

#### **Maintenance of reserves**

- 3.9 The CFO shall advise the Full Council on prudent levels of reserves for the Council and shall monitor that the target level of reserves is maintained.

### **4. RISK MANAGEMENT**

#### **Introduction**

- 4.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

#### **Risk management**

- 4.2 The Audit Committee shall approve the Council's risk management policy and will review the effectiveness of risk management.
- 4.3 The Corporate Management Team (CMT) shall prepare the Council's risk management policy statement and promote it throughout the Council. The CFO shall advise the Cabinet on proper insurance cover where appropriate.

#### **Internal control**

- 4.4 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
- 4.5 The CFO shall advise on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the authorities that govern their use.
- 4.6 COs & DCOs shall establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

### **Audit requirements**

- 4.7 The Accounts and Audit Regulations 2015 as subsequently amended require every local authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes. In addition, compliance with Public Sector Internal Audit Standards is mandatory for all Internal Auditors working in the UK public sector. The Monitoring Officer shall ensure that this is achieved.
- 4.8 The Council will appoint their own external auditors by either engagement through procurement or using the Public Sector Appointments Limited (PSAA). The duties of the external auditor are governed by Local Audit and Accountability Act 2014.
- 4.9 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

### **Preventing fraud and corruption**

- 4.10 The Monitoring Officer shall develop and maintain Counter Fraud and Corruption Strategy and Policies.
- 4.11 All instances of suspected fraud and corruption should be reported in accordance with the Counter Fraud and Corruption Strategy and Policies which include the Whistleblowing Policy (HRP61).
- 4.12 All instances of suspected bribery or attempted bribery should be reported in accordance with the Counter Fraud and Corruption Strategy and Policies which include the Whistleblowing Policy (HRP61).

### **Money Laundering**

- 4.13 The Monitoring Officer shall ensure that proper procedures are in place to combat the possibility of the Council being used for money laundering purposes.

### **Treasury management**

- 4.14 The Council has adopted CIPFA's Code of Practice for *Treasury Management in the Public Services*.

#### *Clauses to be formally adopted*

- 4.15 The Council will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

- 4.16 The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.
- 4.17 The Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 4.18 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Director of Finance and Corporate Services, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- 4.19 Should the treasury management strategy and policies require scrutinising, the Council nominates Scrutiny Committee to perform this function

## **5. SYSTEMS AND PROCEDURES**

### **Introduction**

- 5.1 Sound systems and procedures are essential to an effective framework of accountability and control.

### **Financial Systems**

- 5.2 The CFO is responsible for the soundness of the Council's financial systems, the form of accounts and the supporting financial records. Any changes made by COs & DCOs to the existing financial systems or the establishment of new systems shall be approved by the CFO. This includes, but is not restricted to, financial systems and procedures relating to the following:
- Purchasing & procurement
  - Supplier payments
  - Payroll
  - Treasury Management
  - Council Tax
  - NNDR
  - Housing & Council Tax Benefits
  - Income collection & revenues recovery
- 5.3 COs & DCOs shall ensure proper operation of financial processes in their own areas of operation.
- 5.4 COs & DCOs shall ensure that their staff receives relevant training on the use of financial systems that has been approved by the CFO.

### **Scheme of Delegation**

- 5.5 COs & DCOs shall ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation shall identify staff authorised to act on that person's behalf, or on

behalf of the appropriate committee in respect of payments, income collection and placing orders, together with the limits of their authority.

## **6. EXTERNAL ARRANGEMENTS**

### **Introduction**

- 6.1 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It may also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

### **Partnerships**

- 6.2 The Council shall approve delegations, including frameworks for partnerships. The Council is a focus for forming partnerships with other local, public, private, voluntary and community sector organizations to address local needs.
- 6.3 Members, the Chief Executive and other Officers as appropriate, represent the Council on partnership and external bodies, in accordance with the scheme of delegation.
- 6.4 The CFO shall promote and maintain the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- 6.5 The CFO shall ensure that the accounting arrangements to be adopted relating to partnerships and any joint ventures are satisfactory. In consultation with the Monitoring Officer, the CFO shall consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. The CFO shall ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 6.6 COs & DCOs shall ensure that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

### **External funding**

- 6.7 The Council will identify and keep under review potential sources of external grant funding, and seek to maximise the drawdown of such funds subject to compatibility with the priorities and principles described in the Corporate Plan and Medium Term Financial Strategy.
- 6.8 Before a grant funded scheme commences, COs & DCOs shall:
- a) Ensure that the proposed scheme is consistent with Corporate Priorities and Objectives in the Service Plan.
  - b) Ensure that the funding body's requirements and eligibility criteria in relation to monitoring are understood and can be fulfilled.
  - c) Consult with the CFO prior to submitting an application for grant funding.
  - d) Identify existing budget provision and/or use of earmarked reserves before committing to match funding.

- e) Obtain CFO approval for the use of any earmarked reserves.
- f) Follow the requirements of the Prevention of Money Laundering Procedures where applicable.
- g) Ensure the application for grant funding is signed off by the CFO.
- h) Ensure that the application requests the funding body to clearly identify the relevant service and/or grant scheme when making grant payments.
- i) Ensure a payments schedule is provided by the funding body for the receipt of grant payments.

6.9 After a grant has been awarded, COs & DCOs shall:

- a) Supply monitoring information and claims to the awarding body in accordance with the agreed schedule.
- b) Notify the awarding body of any significant changes to the agreement as stated in grant criteria in a timely manner.
- c) Only use grants for the purpose intended as stated in the grant agreement.
- d) Grant funding of a one off nature must not be used to support ongoing service expenditure.
- e) Maintain all supporting records in accordance with the grant agreement.
- f) Consult with the CFO prior to submitting a claim for grant monies.
- g) Claim the maximum funding entitlement under the grant scheme conditions.

6.10 The CFO shall

- a) Advise and assist the Deputy Chief Officers with the provisions as set out above.
- b) Ensure all income and expenditure relating to the grant scheme is available and in a clear and understandable format.
- c) Provide clear information on the distinction between revenue and capital monies.
- d) Ensure that a clear and accurate audit trail is maintained of all income and expenditure relating to the grant scheme.
- e) Ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.

### **Work for third parties**

6.11 The Cabinet shall approve the contractual arrangements for any work for third parties or external bodies.

### **Trading accounts**

6.12 Cabinet shall approve the establishment of trading accounts and wholly owned companies of the Council.

## **7. VIREMENT, YEAR END BALANCES AND SUPPLEMENTARY ESTIMATES**

### **Scheme of virement**

- 7.1 A virement is the transfer of money from one approved Service Budget to another and from one Subjective Code to another. A Service Budget is categorized by a separate entry in the Budget Book (e.g. Animal Warden). Budget Holder responsibility for each Service budget is also detailed in the Budget Book. A Subjective Code is a category of expenditure or income e.g. salaries, premises costs, fees & charges income.
- 7.2 Budget Holders are authorised to incur expenditure in accordance with the budget approved by Full Council. Inevitably, changes in the underlying assumptions that underpin the budget occur, necessitating budget adjustments. The scheme of virement provides flexibility to manage budgets within the overall policy framework determined by Full Council.
- 7.3 The Council shall operate a Rolling Budget. A Rolling Budget means that virements shall be enacted as and when changes in circumstances or assumptions underlying the budget occur, and ensures that actual transactions are reported and monitored against an up to date budget.
- 7.4 A virement does not create additional budget availability. Budget Holders shall manage their budgets responsibly and avoid supporting additional recurring expenditure from one off sources of income and avoid creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources.

### **Virement rules**

- 7.5 The following general restrictions on virements shall apply:
- A virement is only permissible if there has been a change in circumstances or assumptions that underpin the original budget approval. Virements for the purpose of masking variances from the approved budget shall not be allowed.
  - The net effect of any and all virements on the Council's net budget requirement shall always be neutral.
  - Virements from non-pay to pay Subjective Codes are not permitted except when to do so would represent good value for money (e.g. replacement of agency staff budget with temporary salaries budget). This will be determined by the CFO.
  - Virements between the General Fund and Housing Revenue Account are not permitted.
  - Virements between revenue and capital budgets are not permitted.
  - No virement relating to a specific financial year should be made after 31 March in that year.
  - The minimum level for virements is £1,000.

- Authorisation of virements shall be in writing using a form determined by the CFO for the purpose.
- 7.6 Virements between Subjective Codes within a Service Budget may be authorised by the Budget Holder, without financial limit.
- 7.7 Budget Holders may authorise virements of up to £10,000 between Service Budgets they are responsible for as detailed in the budget book. Such virements require additional authorisation by the CFO.
- 7.8 Virements of up to £10,000 between Service Budgets controlled by different Budget Holders may be made if approved by those Budget Holders. Such virements require additional authorisation by the CFO.
- 7.9 Virements between Service Budgets exceeding £10,000 and up to £50,000 require the authorisation of CMT based upon a report jointly authored by the Budget Holder(s) and CFO. Such virements to be reported for information to the Cabinet.
- 7.10 Virements between Service Budgets exceeding £50,000 require the authorisation of Cabinet based upon a report jointly authored by the Budget Holder(s) and CFO.

#### **Treatment of year-end balances**

- 7.11 The rules below cover arrangements for the transfer of budgets between financial years, i.e. slippage.
- 7.12 Financial year end variances on Service Budgets shall not, as a matter of course, be carried forward to the following financial year. Such variances shall be managed corporately via transfers to and from reserves.
- 7.13 Requests for slippage of unspent budgets shall only be considered where the Service Budget shows an underspend of at least an equivalent amount to the slippage request. The request shall include specific details of the expenditure for which slippage is being sought.
- 7.14 Slippage requests shall relate to a specific activity or project with identifiable reasons why such activity did not take place within the financial year as originally envisaged.
- 7.15 The minimum amount for slippage is £1,000.
- 7.16 CMT shall determine individual slippage requests up to a maximum of £50,000. Amounts in excess of this shall be submitted to the Cabinet for approval. There is no upper limit on the individual amount of a slippage request.
- 7.17 Commitments shall not be entered into prior to approval.

## **Supplementary Estimates**

- 7.18 Supplementary Estimates are requests for increases in total spending permission additional to those approved in the Revenue Budget and Capital Programme.
- 7.19 Wherever possible a Supplementary Estimate shall be managed by virement in accordance with the virement rules contained within these Financial Regulations.
- 7.20 Where a Supplementary Estimate cannot be managed by virement, approval by Cabinet is required based upon a report jointly authored by the responsible member of CMT and CFO. Authorisation shall only be given in the following exceptional circumstances:
- Unavoidable expenditure which cannot be contained by virement
  - To enable opportunistic purchase of land or the issue of planning revocations, or purchase notices under relevant Planning Acts.
  - The use of general or earmarked reserves for specific purposes.
  - To cover expenses incurred in dealing with emergencies and disasters.
- 7.21 Supplementary Estimates shall be funded by one or a combination of the following:
- Virement
  - Additional income
  - Transfer from reserves
  - Transfer from Working Balance
- 7.22 Wherever practicable the approval of Cabinet shall be obtained before any commitment is entered into. If this is not possible the Finance Portfolio Holder and Portfolio Holder responsible for the service (if different) shall be consulted. In the event of a genuine emergency requiring urgent unavoidable expenditure e.g. civil emergency any member of CMT shall authorise such expenditure and the CFO shall report the action taken to the next meeting of Cabinet.

## **8. ASSETS**

- 8.1 The Councils assets include land, buildings & contents, plant, vehicles & equipment, IT assets & software, intellectual property, confidential data, cash and cheques.
- 8.2 COs & DCOs shall ensure that assets are properly maintained and securely held. They shall also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
- 8.3 The CFO shall make arrangements for an Asset Management Strategy, consistent with the Corporate Plan and Medium Term Financial Strategy, to be adopted, implemented and regularly reviewed.
- 8.4 The CFO shall maintain an asset register for all fixed assets with a value in excess of £10,000. The CFO shall ensure that assets are valued in accordance with the CIPFA Code of Practice on Local Authority Accounting, and the Council's accounting policies.

8.5 COs & DCOs shall:

- Maintain a property database in a form approved by the CFO for all properties, plant and machinery and moveable assets currently owned or used by the Council above £1,000 in value.
- Ensure the proper security of all buildings and other assets under their control.
- Take action in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- Ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- Ensure that no Council asset is subject to personal use by an employee without proper authority.
- Where land or buildings are surplus to requirements, prepare a report for Cabinet, in consultation with the CFO, containing recommendations for disposal. The Cabinet has delegated authority to determine disposals of assets.
- Ensure that all disposals of surplus plant, vehicles, furniture and equipment are managed in accordance with the Disposals policy.

### **Stocks and stores**

8.6 COs & DCOs shall:

- make arrangements for the care and custody of stocks and stores
- periodically verify the accuracy of stock & stores records by physical inspection
- investigate discrepancies and report these to the CFO who shall authorise write offs up to £10,000 in value. Cabinet approval is required to write off discrepancies above £10,000, COs and DCOs shall not disaggregate items to circumvent the write off limit
- dispose of redundant stocks and equipment by a method determined in consultation with the CFO
- seek Cabinet approval to the write-off of redundant stocks and equipment in excess of £10,000 in value
- provide the CFO with a certificate of the value of stock held at 31 March each year.

### **Intellectual property**

8.7 Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property. CMT shall ensure that controls are in place to ensure that staff do not carry out private work in council time and that staff are aware of an employer's rights with regard to intellectual property.

## **Confidential data**

- 8.8 COs & DCOs shall ensure that all confidential data, including personal data, whether held electronically or otherwise, is stored, transmitted and disposed of by secure means in accordance with the Council's Data Protection Policy and IT Acceptable Use Policy and other relevant guidance e.g. to fulfil the requirements of the Code of Compliance.

## **9. BANK ACCOUNTS**

- 9.1 All arrangements with the Council's bankers shall be made by the CFO who shall be authorised to operate such bank accounts as he may consider necessary.
- 9.2 Opening or closing any bank account shall require the approval of the CFO. All Council bank accounts shall include "Uttlesford District Council" within the account name. All instructions relating to the Council's bank accounts shall be authorised by the CFO.
- 9.3 The preferred payment method is by electronic transmission, subject to controls and safeguards approved by the CFO. BACS and CHAPS payments shall be authorised by officers approved by the CFO using secure online banking systems approved by the CFO. The CFO (or his nominee) will authorise electronic payments to creditors.
- 9.4 In circumstances approved by the CFO, pre-signed cheques may be used for payments. The facsimile signature of the CFO shall appear on all pre-signed cheques.
- 9.5 Cheques above £5,000 shall be countersigned by one of the officers approved by the CFO, in accordance with the mandate lodged with the Council's banker.
- 9.6 Non-pre-signed cheques for payments exceeding £5,000 shall be signed by any two of the officers approved by the CFO (one of the two may be the CFO). Non pre-signed cheques for payments not exceeding £5,000 shall be signed by either the CFO, or one of the officers approved by the CFO.
- 9.7 Amendments to cheques can be countersigned by the person or persons authorised to sign cheques in accordance with the bank mandate.
- 9.8 Cheques shall be ordered only on the authority of the CFO. All cheques shall be kept in safe custody by the CFO until issue.
- 9.9 The CFO shall manage the Council's bank balances and cashflow and manage borrowing and investments in accordance with the Treasury Management Strategy approved by the Council.

## **10. PETTY CASH**

- 10.1 The Council does not currently operate petty cash accounts. The CFO shall determine whether operational circumstances justify maintaining petty cash for the purpose of meeting minor expenditure on behalf of the Council.

10.2 Where petty cash is deemed necessary, the CFO shall provide a named officer with an agreed amount of cash and shall prescribe rules for operating the petty cash account.

## **11. INCOME**

11.1 The Council shall adopt policies for the setting of Fees & Charges and Debt Recovery and income collection shall be carried out in accordance with these policies.

11.2 The CFO shall determine the procedures, systems and documentation for the collection of all income due to the Council.

11.3 COs & DCOs shall:

- Ensure that income is accounted for in full with no expenditure being funded from monies received.
- Whenever possible ensure separation of duties between officers, so that responsibility for cash collection should be separated from that for identifying the amount due and reconciling the amount due to the amount received.
- Ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- Issue official receipts or maintain other documentation for income collection.
- Hold securely receipts, tickets and other records of income for the appropriate period.
- Ensure income is not used to cash personal cheques or otherwise mixed with personal monies.
- Establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- Notify the CFO of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the CFO.

### **Write Off Limits**

11.4 Bad debts of up to £10,000 shall be written off by the CFO or his nominee, having ascertained that all reasonable steps have been taken to recover the debt and that it would be uneconomical to pursue the debt further. Cabinet approval is required to write-off bad debts in excess of £10,000.

## **12. ORDERING AND PAYING FOR GOODS AND SERVICES**

### **Introduction**

12.1 Public money should be spent with demonstrable probity and in accordance with the Council's policies. Councils have a statutory duty to achieve best value in part through economy and efficiency. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

12.2 These Regulations should be read in conjunction with the Council's Contracts Procedure Rules.

- 12.3 COs & DCOs shall ensure that sufficient budgetary provision exists before orders are placed or contractual commitments entered into.
- 12.4 Orders shall be placed by means of an official ordering process determined by the CFO, and authorised by the responsible Budget Holder or their nominee in accordance with a list of authorising officers maintained by the Budget Holder.
- 12.5 Orders will ordinarily be placed using the Council's designated electronic ordering system according to rules and procedures determined by the CFO. Exceptions to this must be approved by the CFO.
- 12.6 Subject to appropriate safeguards including variance tolerance and adequate IT systems being in place, as determined by the CFO, suppliers may be paid by means of electronic invoices based upon Budget Holder certification that goods and services have been received and are satisfactory.
- 12.7 For certain categories of purchase the CFO shall approve the issue of credit cards to officers which shall be used in accordance with rules determined by the CFO.
- 12.8 All leasing arrangements require the prior approval of the CFO.
- 12.9 Settlement agreements / Ex-gratia payments will be determined by the Chief Executive in consultation with the CFO and the Monitoring Officer as appropriate.
- 12.10 COs & DCOs shall ensure that there is adequate separation of duties between ordering and the certification of invoices for payment. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the CFO.
- 12.11 Officers certifying an invoice for payment shall ensure that:
- goods or services have been received and are satisfactory
  - the invoice has not previously been paid
  - prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
  - VAT is correctly accounted for
  - the invoice is coded to the correct accounting code
  - discounts have been taken where available.
- 12.12 COs & DCOs shall notify the CFO of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the CFO.
- 12.13 Suppliers shall not normally be paid in advance of goods or services being supplied, with the exception of subscriptions, publications, training/seminar attendance and other exceptions determined by the CFO.

### **13. PAYMENTS TO EMPLOYEES AND MEMBERS**

#### **Staffing**

- 13.1 The Chief Executive shall provide overall management to staff and ensure that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- 13.2 COs & DCOs shall ensure that appointments are made in accordance with the Council's policies and approved establishments, grades and scale of pay and that adequate budget provision is available. Non-recurring sources of funding shall not be used to appoint permanent members of staff.
- 13.3 The Director of Finance and Corporate Services (DFCS) (or his nominee) shall be notified of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the DFCS.

#### **Salaries, wages and allowances**

- 13.4 The DFCS shall, in consultation with the CFO, establish arrangements to make all payments of salaries and wages to all staff, including payments for overtime, and payment of allowances to members.
- 13.5 The DFCS shall ensure that proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to starters, leavers, variations and enhancements.
- 13.6 The DFCS shall ensure that where applicable, payments are made on the basis of properly authorised timesheets or claims. No member or employee shall certify their own claims for payment.
- 13.7 The CFO shall ensure that frequent reconciliations of payroll expenditure against approved budget and bank accounts are carried out.
- 13.8 The DFCS shall ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with HM Revenues and Customs regulations.
- 13.9 The DFCS shall arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees.
- 13.10 The DFCS shall arrange for the accurate and timely payment of tax, superannuation and other deductions.
- 13.11 Salaries and wages may only be paid through the Council's payroll system. COs & DCOs shall give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis and take account of HM Revenue & Customs guidance. In cases of doubt advice shall be obtained from the CFO.

### **Reimbursement of expenses**

- 13.12 Staff and Members are entitled to reclaim travel, out of pocket and subsistence schemes in accordance with the Council's policies and procedures.
- 13.13 Rail warrants or Council credit cards shall be used for the purpose of paying for rail travel, rather than using personal monies and reclaiming via expenses.
- 13.14 Members and officers shall submit claims for expenses on a monthly basis and, in any event, within one month of the financial year end.
- 13.15 COs & DCOs shall ensure that expense claims are properly authorised prior to payment. Authorising officers shall ascertain that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly claimed.
- 13.16 Subject to appropriate safeguards and adequate IT systems being in place, as determined by the CFO, expenses will be claimed and authorised electronically.

### **Taxation**

- 13.17 The CFO shall provide advice on all taxation issues that affect the Council.
- 13.18 The CFO shall maintain the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.