New Forest
DISTRICT COUNCIL

FINANCIAL REGULATIONS

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1. GENERAL MATTERS OF FINANCIAL ADMINISTRATION

1.1 The Council shall approve the overall financial strategy. The Cabinet, Portfolio Holders, Committees and Scrutiny Panels may act within the powers delegated to them by the Council and within these Regulations.

1.2 These regulations apply to the Council, its members, and officers in all its functions. This includes functions carried out under Section 151 of the Local Government Act 1972, the Local Government Finance act 1988, the Local Government and Housing Act 1989 and the Accounts and Audit Regulations 2015.

1.3 The Section 151 Officer may set aside these regulations if they consider it necessary. Any decision to suspend Financial Regulations will be reported to the Council. In the event of a civil emergency the deputy Section 151 Officer may set aside these regulations if they consider it necessary.

1.4 Where the Council performs works under an agency agreement with another authority or body, the financial regulations of the principal authority shall take precedence over these regulations, unless otherwise agreed.

1.5 These regulations shall be read in conjunction with Standing Orders as to Contracts.

1.6 Except for regulations 2.1, 2.1.1 and 3.1, the Section 151 Officer may nominate an officer to exercise any power or duty these regulations confer on them. In addition to the statutory Register of Delegations maintained by the Chief Executive, the Section 151 Officer shall maintain a register of the powers and duties they confer, and the job titles of the officers on whom they have conferred each power or duty.

1.7 Where these regulations give a Strategic Director, Assistant Director, or Senior/Service Manager power to authorise an officer to exercise a power or duty, the Strategic Director, Assistant Director, or Senior/Service Manager shall maintain a register of all authorisations and the job titles of the officers who are authorised.

1.8 Reports under these regulations shall, where practical, be in writing. In writing includes email communication but formal budget authorisation may only be achieved by completing fully the proper control document or through the formal Cabinet/Council process.

1.9 The Section 151 Officer will issue supporting financial practice notes from time to time. These should be read in conjunction with these regulations.

2. ACCOUNTING PROCEDURES AND RESPONSIBLE FINANCIAL OFFICER

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
2.1	The Section 151 Officer is responsible for the proper administration of the Council's financial affairs for the purposes of section 151 of the Local Government Act 1972. They are directed by the Council. They are authorised to determine the financial practices, procedures and systems required.	2.1.1	The Section 151 Officer will report to each Member of the Council and to the Council's external auditors if the Council, the Cabinet, Portfolio Holder, Committee, or an Officer: (a) has made, or is about to make, a decision which involves or would involve the Council incurring unlawful expenditure; or (b) has taken, or is about to take, a course of action which if pursued to its conclusion would be unlawful and likely to cause a loss to the Council; or (c) is about to enter an item of account unlawfully. This is required by section 114 of the Local Government Act 1988.
2.2	Strategic Directors, Assistant Directors and Senior/Service Managers shall ensure proper financial control of the parts of the budget for which they are responsible. They are authorised to commit revenue or capital expenditure: (a) which is authorised through the Council's approved revenue and capital budgets; or (b) by virement or tolerances permitted by section 4 of these Regulations.	2.2.1 2.2.2	Strategic Directors, Assistant Directors and Senior/Service Managers may authorise ***other*** officers to exercise financial authority. Such authorisation does not reduce the overall responsibility of Strategic Directors, Assistant Directors, and Senior/Service Managers. Details of such delegations shall be sent to the Chief Executive, who shall include the delegations in the Register of Delegations.
2.3	The Cabinet, Portfolio Holder, Committee, Panel or Council must consider a report which clearly identifies the costs and benefits before it takes a decision on any new proposals which include any material financial implications.	2.3.1	Any financial proposals must: (a) be approved by the Section 151 Officer and, (b) comply with these regulations.

2. ACCOUNTING PROCEDURES AND RESPONSIBLE FINANCIAL OFFICER

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
2.4	Where expenditure is urgently required outside the regulations set out in Section 4, the Section 151 Officer, in consultation with the Chief Executive, the Portfolio Holder with responsibility for Finance and the Portfolio Holder with responsibility for the relevant service area, may authorise approval.	2.4.1	The action taken must be reported to the next meeting of the Council.

3. AUDIT ARRANGEMENTS AND FRAUD INVESTIGATIONS

REGULATIONS 3.1 AND 3.1.1 TO 3.1.2 COMPLEMENT THE ACCOUNTS AND AUDIT REGULATIONS 2015

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
3.1	The Section 151 Officer is the Responsible Financial Officer. They shall maintain an adequate and effective internal audit of the Council in accordance with relevant legislation.	3.1.1	In carrying out their duties under 3.1, the Section 151 Officer, or their authorised representative, may: (a) enter any Council premises or land at any reasonable time, subject to any statutory requirements; (b) have access to all records and documents concerning any past or prospective financial transactions of the Council; (c) require, and receive, any necessary explanations concerning any matter under examination; (d) require any employee of the Council to produce any Council property under their control.
		3.1.2	All employees have a duty to report suspected fraud or irregularities immediately to the Section 151 Officer. They shall take the steps they consider necessary under the Council's Anti-Fraud, Bribery and Corruption Strategy, and Anti-Money Laundering Policy.
		3.1.3	Any suspected fraud or irregularity concerning the Section 151 Officer must be reported to the designated deputy Section 151 Officer and the Chief Executive.

4. BUDGETS AND FINANCIAL CONTROL

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Revenue Budget Preparation		**Revenue Budget Preparation**
4.1	The Leader of the Council shall ensure preparation of detailed budgets of both income and expenditure for all services, for approval by the Cabinet and the Council.	4.1.1	In preparing detailed budgets for expenditure and income, the overall financial strategy and spending priorities approved by the Council must be adopted.
		4.1.2	The Section 151 Officer shall determine the timetable and procedures for budget preparation.
		4.1.3	No budgets shall be created without the consent of the Section 151 Officer.
		4.1.4	Budgets may not include contingency sums for unplanned expenditure. These regulations contain enough flexibility to meet unplanned expenditure.
		4.1.5	Business Units should aim to recover all their costs in accordance with guidelines issued by the Section 151 Officer.
		4.1.6	Budgets must identify the gross sums for each item of income and expenditure.
4.2	The Section 151 Officer shall determine financing arrangements for all approved expenditure.	4.2.1	Expenditure which: (a) involves any leasing, hire purchase, or rental agreements, and (b) may have implications for the Council under the Government's capital expenditure controls, may not be incurred without the Section 151 Officer's approval.

4. BUDGETS AND FINANCIAL CONTROL

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Revenue Expenditure – Budget Movements		**Revenue Expenditure – Budget Movements**
4.3	Budget provision may be moved from one budget heading to another by Senior/Service Managers. The Section 151 Officer will determine whether a budget movement (where there is no increase in overall budget) can take place either as a transfer as a virement. Budget Transfers are movements between similar budget priorities and will require adherence to 4.3.1 – 4.3.4. Budget Virements are movements between different budget priorities and will require adherence to 4.3.1 – 4.4.5. The relevant Service Accountant must be informed of all budget movements to ensure that the Financial Information System budget position is accurate, to assist budgetary control. **The Section 151 Officer must be consulted on all transfer proposals <u>before</u> expenditure is committed and can veto any proposed budget movements.**	4.3.1	Virements or budget transfers may not be made from headings for Support Services or Capital Financing. Virement from Capital Charges may only be undertaken with the prior approval of the Section 151 Officer, irrespective of the value.
		4.3.2	Virement or budget transfers from Employee allocations may only be undertaken with the agreement of the source Service Manager, irrespective of the value.
		4.3.3	Virement or budget transfers from income will generally constitute a Supplementary Budget request.
		4.3.4	All requests for virements or budget transfers must be made using the proper control document.

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Revenue Expenditures - Budget Movements (Cont.)		**Revenue Expenditures - Budget Movements (Cont.)**
4.4	All proposals for virement shall be approved in line with the requirements outlined in 4.4.1 – 4.4.5.	4.4.1	**Sums up to £50,000 vired between individual service cost centres**: requires the approval(s) of the Senior/Service Manager(s) in consultation with their Assistant Director(s) (or Strategic Director(s)).
	The Section 151 Officer must be consulted on all virement proposals before expenditure is committed and can veto any proposed budget movements.	4.4.2	**Sums between £50,000 and £150,000**: require the approval(s) of the relevant Strategic Director(s) in consultation with the Portfolio Holder(s) with responsibility for the Service(s) to/from which the virement is made.
		4.4.3	**Sums between £150,000 and £450,000:** require approval of the Cabinet.
		4.4.4	**Sums over £450,000:** require approval of the Council.
		4.4.5	**More than one request for virement to or from the same budget in the same financial year**: sums must be aggregated to decide which of regulations 4.4.1 to 4.4.4 applies.
4.5	Virement must not commit the Council to increased net expenditure in future years. Particular care is required if the virement is to an employee budget.	4.5.1	Virement authorisation must identify whether the virement is for one year only or is ongoing. Ongoing requests that will lead to increasing expenditure in future years on a particular budget heading must identify the budget(s) for matching reductions for future years. Otherwise, the request must be considered as a supplementary budget rather than a virement.

BUDGETS AND FINANCIAL CONTROL

GENERAL PRINCIPLES PRACTICES, PROCEDURES AND SYSTEMS

Revenue Expenditures - Budget Movements (Cont.)

4.6 Virement between revenue and capital budgets is not generally permitted. Any exceptional proposals require the prior approval of the Section 151 Officer.

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Revenue Expenditure – Supplementary Budgets		**Revenue Expenditure – Supplementary Budgets**
4.7	There is no authority to spend in excess of an approved budget. If this becomes necessary **and a budget movement is not possible** then a supplementary budget must be obtained. The base for supplementary budgets is the lowest service cost centre level identified in the approved Policy budget. For example: - Cemeteries Applemore Health and Leisure Centre Public Conveniences HRA Reactive Maintenance Any proposal for a supplementary budget must be approved in line with the requirements outlined in 4.7.2 – 4.7.6 **before** expenditure is committed. **The Section 151 Officer must be consulted on all supplementary budget proposals before expenditure is committed and can veto any proposed supplementary budgets.**	4.7.1	All requests for supplementary budgets must be made using the proper control document and must follow the procedures below.
		4.7.2	**Sums up to £25,000:** require the approval(s) of the Senior/Service Manager(s) in consultation with their Assistant Director (or Strategic Director).
		4.7.3	**Sums between £25,001 and £150,000:** require the approval(s) of the Strategic Director(s) in consultation with the Portfolio Holder for Finance and the Portfolio Holder(s) with responsibility for the Service(s).
		4.7.4	**Sums between £150,001 and £450,000:** require approval of the Cabinet.
		4.7.5	**Sums over £450,000:** require approval of the Council.
		4.7.6	**More than one request for supplementary budget for the same budget in the same financial year:** sums must be aggregated to decide which of regulations 4.7.2 to 4.7.5 applies.

4. BUDGETS AND FINANCIAL CONTROL

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Capital Budget Preparation		**Capital Budget Preparation**
4.8	The Leader of the Council shall ensure preparation of detailed budgets of both income and expenditure for all services, for approval by the Cabinet and the Council.	4.8.1	In preparing detailed proposals for capital schemes, the overall strategy and spending priorities approved by the Council must be adopted.
4.9	The strategic objectives and priorities for capital expenditure and asset utilisation will be identified annually in the Council's Capital Strategy and Asset Management and Replacement Plans.	4.9.1	The Section 151 Officer will determine (a) the definition of capital and revenue expenditure; and capital memorandum items, i.e. assets to be acquired under lease arrangements. (b) the timetable and procedures for capital budget preparation, and (c) de-minimis levels for capital expenditure.
		4.9.2	Each scheme bid must be supported by a business case. This must include a proper project appraisal, all options considered, forecast of revenue implications for each year during implementation, and for future years and, where appropriate, the incidence of expenditure.
		4.9.3	Each scheme must clearly identify proposed expenditure on each significant element of the project.

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Capital Budget Preparation (cont.)		**Capital Budget Preparation (cont.)**
4.10	The Section 151 Officer will determine the financial arrangements for all approved expenditure.	4.10.1	Expenditure which: (a) involves any leasing, hire purchase or rental agreements, and (b) may have implications for the Council under the Government's capital expenditure controls, may not be incurred without the approval of the Section 151 Officer.
		4.10.2	The availability of sources of external funding should be identified at the time the capital expenditure is proposed, together with any future financial implications for this Council.
4.11	Supplementary Budget rules do not apply in instances where external funding received allows an increase in, or new scheme specific expenditure.	4.11.1	If new or increased grant or contributions are received towards specific schemes, the Capital expenditure budget will be grossed up accordingly and retrospectively reported for information as appropriate via Financial Monitoring. If increased NFDC resources are required, Virement and Supplementary Budget rules will apply as usual.

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Capital Expenditure – Budget Movements		**Capital Expenditure – Budget Movements**
4.12	Budgetary provision may be moved from one capital scheme to another providing the proposals achieve the Council's strategic objectives outlined in the Capital Strategy.		
4.13	The Section 151 Officer will determine whether a budget movement (where there is no increase in overall budget) can take place either as a transfer as a virement. Budget Transfers are movements between similar budget priorities and will require adherence to 4.13.1 – 4.13.2. Budget Virements are movements between different budget priorities and will require adherence to 4.13.1 – 4.14.5. The relevant Service Accountant must be informed of all budget movements to ensure that the Financial Information System budget position is accurate, to assist budgetary control. **The Section 151 Officer must be consulted on all transfer proposals <u>before</u> expenditure is committed and can veto any proposed budget movements.**	4.13.1	External funding and approvals which are scheme specific are not available for virements unless prior approval has been obtained from the external funder/approver.
		4.13.2	All requests for virement must be made using the proper control document.

GENERAL PRINCIPLES	PRACTICES, PROCEDURES AND SYSTEMS
Capital Expenditure –Budget Movements (Cont.)	**Capital Expenditure –Budget Movements (Cont.)**
4.14 All proposals for virement shall be approved in line with the requirements outlined in 4.14.1 – 4.14.5.	4.14.1 **Sums up to £50,000:** require the approval(s) of the Senior/Service Manager(s) in consultation with their Assistant Director (or Strategic Director).
The Section 151 Officer must be consulted on all virement proposals <u>before</u> expenditure is committed and can veto any proposed budget movements.	4.14.2 **Sums between £50,001 and £150,000:** require the approval(s) of the relevant Strategic Director(s) in consultations with the Portfolio Holder(s) with responsibility for the Service(s).
	4.14.3 **Sums between £150,001 and £450,000:** require the approval(s) of the relevant Strategic Director(s), in consultation with the Portfolio Holder for Finance and the Portfolio Holder with responsibility for the Service(s).
	4.14.4 **Sums over £450,000:** require approval by the Council.
	4.14.5 **More than one request for virement to or from the same scheme in the same financial year: sums must be aggregated to decide which of regulations 4.14.1 to 4.14.4 applies.**

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Capital Expenditure – Supplementary Budgets		**Capital Expenditure – Supplementary Budgets**
4.15	There is no authority to spend in excess of an approved budget. If this becomes necessary **and a budget movement is not possible** then a supplementary budget must be obtained. Any proposal for a supplementary budget must be approved in line with the requirements outlined in 4.15.2 – 4.15.5 **before** expenditure is committed. **The Section 151 Officer must be consulted on all supplementary budget proposals before expenditure is committed and can veto any proposed supplementary budgets.**	4.15.1	All requests for supplementary budgets must be made using the proper control document and must follow the procedures below.
		4.15.2	**Sums up to £25,000:** require the approval(s) of the Senior/Service Manager(s) in consultation with their relevant Assistant Director(s) (or Strategic Director(s)).
		4.15.3	**Sums between £25,001 and £450,000:** require the approval(s) of the relevant Strategic Director(s), in consultation with the Portfolio Holder for Finance and the Portfolio Holder(s) with responsibility for the Service(s).
		4.15.4	**Sums over £450,000:** require approval of the Council.
		4.15.5	**More than one request for supplementary budget for the same budget in the same financial year:** sums must be aggregated to decide which of regulations 4.15.2 to 4.15.4 applies.

4. BUDGETS AND FINANCIAL CONTROL

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Budgetary Control/Reporting		**Budgetary Control/Reporting**
4.16	Expenditure may only be committed from a budget for the purpose for which it was approved.	4.16.1	Budget Responsible Officers and Senior/Service Managers will: (a) monitor actual performance on each budget regularly; and (b) take appropriate steps to ensure budgets are not overspent.
4.17	The Section 151 Officer will report regularly to the Executive Management Team, Portfolio Holders, Scrutiny Panels, and the Cabinet, on overall financial performance, predicted gross capital expenditure and net revenue expenditure for the current financial year.	4.17.1	Senior/Service Managers will provide data or supporting information for all budgetary control reports.
		4.17.2	Senior/Service Managers will identify opportunities for savings and additional income and shall ensure these are included promptly in the appropriate monitoring reports and budget plans.
		4.17.3	Senior/Service Managers will identify, at the earliest opportunity, potential expenditure for which there is no budget provision. They shall also identify proposed sources of finance for meeting additional expenditure, either by movements or supplementary budget (regulations 4.3 to 4.15).
		4.17.4	Budget Responsible Officers are responsible for carrying out budgetary control and for informing Senior/Service Managers of any potential budget variations at the earliest opportunity, in order to allow Senior/Service Managers to fulfil their obligations.

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Budgetary Control/Reporting (cont.)		**Budgetary Control/Reporting (cont.)**
		4.17.5	The Section 151 Officer's financial monitoring report will identify material budget movements and supplementary budgets.
		4.17.6	Any budget changes which impact on the employee establishment must also be notified by the Budget Responsible Officer to the Human Resources Section to ensure that the HR system is updated.
		4.17.7	In circumstances where the regulations in section 4 cannot be complied with, for instance where expenditure needs to be incurred before Cabinet or Council approval is obtained, regulation 2.4 should be applied.
4.18	Unspent revenue budgetary provision may not be carried forward between financial years, unless regulation 4.18.1 has been applied.	4.18.1	The Section 151 Officer may approve earmarking of funds to meet approved expenditure in the following financial year, subject to a written request by a Strategic Director, Assistant Director, or Senior/Service Manager.

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
	Budgetary Control/Reporting (cont.)		**Budgetary Control/Reporting (cont.)**
4.19	Exceptionally, schemes may be moved between financial years. This is termed “rephasing” and is subject to the approval of the Section 151 Officer. The inclusion of items in the expenditure plans outside of the current financial year is an intention to spend only. Budget provision does not exist for those items, other than when it relates to a scheme already committed to in the current year’s budget, or when the annual budget identified is part of a medium term strategy and so is indicative for the current fiscal year and not fixed.	4.19.1	Any proposals to rephase a capital scheme or part of a capital scheme from the current financial year to a future financial year must be included in the regular financial monitoring reports presented to Cabinet. If there are any adverse financial consequences of such proposals a separate report detailing reasons for the rephasing, and the consequences must also be presented. The Section 151 Officer will consider the financial position of the relevant budget and strategic targets for the financial year before deciding whether to support the recommendation.
		4.19.2	For spend in line with the fulfilment of an adopted medium term strategy, the Section 151 officer may approve additional spend in any one given year above the identified indicative annual budget.
		4.19.3	Any proposal to bring forward new scheme expenditure from future years to the current financial year should be considered as a supplementary budget and follow the regulations set out in section 4.7 and 4.15.
	Use of Provisions and Reserves		**Use of Provisions and Reserves**
4.20	Provisions and earmarked reserves may only be used for the purpose for which they were originally approved.	4.20.1	The Section 151 Officer must approve all proposals before expenditure is incurred.

5. INCOME

GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS	
5.1	The Section 151 Officer shall approve arrangements for collecting income due to the Council.	5.1.1	The Section 151 Officer must be notified promptly of: (a) all money due to the Council outside of the course of ordinary business; (b) contracts, leases, and other agreements entered into which involve the Council receiving money.
		5.1.2	The Section 151 Officer will have the right to inspect any documents or other evidence.
		5.1 3	Any agreement which allows the extension of credit payment facilities must be agreed in advance by the Section 151 Officer.
		5.1.4	The Section 151 Officer will be responsible for ordering, issuing, and controlling all receipt forms.
		5.1.5	An official receipt must be made available for all cash received on the Council's behalf. An accounting record in a form acceptable to the Section 151 Officer shall be made for any other remittance received.
		5.1.6	All money received must be banked intact at frequent, regular intervals. The procedures issued by the Section 151 Officer must be followed.
		5.1.7	Personal cheques must not be cashed out of money held on the Council's behalf.

5. INCOME

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
5.2	At least once a year each Senior/Service Manager will review all fees and charges for services they are responsible for.	5.2.1	The review will be undertaken in conjunction with the Section 151 Officer and the Portfolio Holder and changes approved in accordance with the prevailing policy.
5.3	The Section 151 Officer shall be authorised to write off uncollectable or cancelled debt and will delegate approval for write-offs up to a certain level to authorised Senior/Service Managers.	5.3.1	The Section 151 Officer will review and write-off debts above the levels delegated to Senior/Service Managers.
		5.3.2	The Section 151 Officer shall report written off debt to Audit Committee annually.

6. INSURANCE

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
6.1	The Deputy Section 151 Officer and Customer Services shall arrange insurance cover to meet the Council's requirements. They shall be responsible for registering any claims.	6.1.1	Senior/Service Managers shall consult with, and inform, the Deputy Section 151 Officer immediately of: - (a) all new risks and liabilities which may need to be insured; (b) any changes which may affect existing insurances; (c) anything which may lead to a claim by or against the Council; (d) any interest in property granted by or to the Council which may involve a transfer of insurance cover; or (e) the terms of any indemnity the Council is requested to give.
		6.1.2	Contractors or agents acting for the Council must have insurance arrangements which adequately indemnify the Council against any third-party claim. Senior/Service Mangers shall consult with the Deputy Section 151 Officer to ensure this.

7. INVENTORIES, SECURITY AND DISPOSAL OF ASSETS

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
7.1	The Senior/Service Manager responsible for Estates will ensure a register of land and buildings owned by, or leased to, the Council is maintained.	7.1.1	The register of land and buildings will record: (a) the purpose for which the land and buildings are held; (b) the location; (c) the extent; (d) the plan reference; (e) the purchase details; (f) the particulars and nature of the interest; (g) rents payable, and (h) tenancies granted.
	.	7.1.3	Senior/Service Managers shall supply the Section 151 Officer with the information necessary to maintain the Council's asset register of other assets (for example Vehicles & Plant).
7.2	The Section 151 Officer will ensure safe custody of the title deeds of property owned by, or mortgaged to, the Council.	7.2.1	The Senior/Service Manager responsible for Legal Services acts on behalf of the Section 151 Officer for this purpose.

7. INVENTORIES, SECURITY AND DISPOSAL OF ASSETS

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
7.3	Senior/Service Managers will keep inventories of all items of moveable furniture, equipment, minor Vehicles & Plant, where the individual item value is greater than £500 but less than the capital de-minimus level.	7.3.1	Senior/Service Managers will arrange an annual check of inventories.
		7.3.2	The Senior/Service Manager responsible for ICT Operations will be responsible for maintaining an inventory of the ICT equipment.
7.4	Senior/Service Managers will ensure that proper security is always maintained for all assets under their control, both leased and purchased.		
7.5	Senior/Service Managers will aim for maximum utilisation of assets.		
7.6	The Section 151 Officer will determine procedures for disposing of assets, both leased and purchased.		

8. STOCKS AND STORES

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
8.1	Senior/Service Managers are responsible for the receipt, safe custody, proper security, and issue, of stocks and stores within their service areas.	8.1.1	Stocks and stores records must be maintained in a form agreed with the Section 151 Officer.
		8.1.2	Senior/Service Managers shall supply the Section 151 Officer with the information they require for the Council's financial records.
		8.1.3	Senior/Service Managers shall arrange for 'independent' physical counts of stocks at least once a year.
8.2	Stocks must be maintained at the lowest level which meets operational requirements.		
8.3	Senior/Service Managers shall notify the Section 151 Officer immediately if: (a) a deficiency of stocks and stores occurs; or (b) obsolete items are identified. …if above the delegated levels as documented in the Council's write-off policy.	8.3.1	The Section 151 Officer shall decide on the course of action where a deficiency, or obsolete items, are identified. They may authorise any value of write-off. Depending on the sums involved, they may report to the Cabinet or Council, as appropriate.
		8.3.2	Disposal of surplus or obsolete stocks and stores must comply with "Disposal of Surplus Items Procedures."

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

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
9.1	The Section 151 Officer is authorised to make all arrangements for banking services, and to determine banking procedures.	9.1.1	All bank accounts shall be in the name of the Council, related parties, or wholly owned subsidiaries.
		9.1.2	The Section 151 Officer shall take measures to prevent misappropriation or misuse of Council funds.
9.2	The Section 151 Officer is authorised to: (a) borrow and lend all monies; and (b) arrange for the investment of funds, either directly, or though a delegation to a third party	9.2.1	The Section 151 Officer is required to act in accordance with the adopted CIPFA Code for Treasury Management in Local Authorities.
		9.2.2	The Section 151 Officer shall report to the Audit Committee annually on how they have exercised his delegated Treasury Management powers.
		9.2.3	All investments shall be made in the name of the Council, except bearer securities and trust funds.
		9.2.4	All officers who act as trustees of trust funds because of their official position must give the Section 151 Officer all title documents concerning the trust.

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

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
9.3	The Council will agree the Treasury Management Strategy annually.	9.3.1	The Section 151 Officer will: (a) recommend the Strategy to the Council after approval of the Audit Committee, and, (b) implement the Strategy.
9.4	The Council will set the following borrowing limits before the start of the financial year: (a) an amount of money (the 'authorised limit') which is the maximum amount the Council may have outstanding as borrowing; (b) an amount which is a part of the authorised limit (the 'operational limit'), which is the average amount the Council may have outstanding as borrowing; and (c) a limit on the proportion of the total amount of interest payable by the Council which: i. is at a rate or rates which can be varied by the person to whom it is payable, or ii. can vary by reference to external factors. The Council may vary these limits at any time.	9.4.1	The Section 151 Officer will report to the Council if borrowing reaches a level which may result in the limits being breached.
		9.4.2	The Section 151 Officer will be authorised to exercise the Council's statutory borrowing powers, and act as the registrar of loan instruments.
		9.4.3	They may borrow amounts which can be contained within the limits of the Council's capital financing requirement.
		9.4.4	They will maintain records of all money the Council borrows. Any borrowing must be in an appropriate manner and on appropriate terms and conditions.
		9.4.5	The borrowing limits must not exceed the maximum prescribed.

10. ORDERS FOR GOODS AND SERVICES

GENERAL PRINCIPLES	PRACTICES, PROCEDURES AND SYSTEMS
10.1 Official orders must be issued for all goods and services required by the Council, except for: (a) public utilities; (b) purchases from imprest accounts or petty cash; (c) works or services provided under a contract, where Standing Orders as to Contracts apply; (d) purchases made through corporate credit cards, gateway procurement cards or through the Internet	10.1.1 The Section 151 Officer shall approve the form of official orders. 10.1.2 A separate Code of Practice will be issued by the Section 151 Officer for the use of corporate credit cards, gateway procurement cards and the Internet, for purchases of goods and services. All purchases must be in accordance with this Code.

11. PAYMENT OF ACCOUNTS

GENERAL PRINCIPLES	PRACTICES, PROCEDURES AND SYSTEMS
11.1 Senior/Service Managers, or their authorised officers, will certify all payments for goods, supplies, or services.	11.1.1 The Section 151 Officer will approve manual and electronic procedures for certifying payments. The current thresholds are as follows: Budget Administration Officer — up to £10,000 Budget Responsible Officer — £10,000-£50,000 Senior/Service Manager — £50,000-£450,000 Assistant Director — £450,000-£2m Strategic Director — £2m - £5m Chief Executive and S151 Officer — over £5m 11.1.2 A Senior/Service Manager may authorise an officer in their department to certify official orders, accounts for payment and salary and wages records. 11.1.3 Senior/Service Managers shall keep a record of the specimen signatures or passwords of officers who are authorised to certify accounts for payment. The record must be in a form acceptable to the Section 151 Officer. Senior/Service Managers must send copies of specimen signatures or passwords to the Section 151 Officer. 11.1.4 Senior/Service Managers shall immediately notify the Section 151 Officer when an authorised officer leaves the employment of the Council. 11.1.5 All payments for goods, supplies or services must be invoiced.

GENERAL PRINCIPLES	PRACTICES, PROCEDURES AND SYSTEMS
	11.1.6 Certification by an authorised officer means that: (a) the expenditure has been property incurred, and there is budget provision or authority to spend; and (b) the goods, supplies or services have been received or carried out, checked for quantity and quality, and approved; and (c) appropriate entries have been made in inventories or stores records; and, (d) the prices, discounts and other allowances are correct, and extensions and calculations accord with the Section 151 Officers' Invoice Certification guidance notes; and (e) the invoice is an original (not a copy or duplicate) and, where appropriate, is a proper VAT (not a proforma) invoice; and, (f) in the case of public utility charges, standing charges are correct and the consumption recorded is reasonable.
	11.1.7 To maintain internal control: (a) the authorising officer must not normally be the person who ordered or received the goods; and (b) another authorised officer must certify any reimbursement of personal expenditure.

12. PETTY CASH IMPRESTS AND CHANGE FLOATS

GENERAL PRINCIPLES	PRACTICES, PROCEDURES AND SYSTEMS
12.1 The Section 151 Officer will authorise change floats and imprest accounts for defraying minor expenditure.	12.1.1 Petty cash payments will be limited to: (a) the maximum approved limit, and (b) minor items of expenditure. They must be supported by receipts, including proper VAT receipts where appropriate. 12.1.2 All income received on the Council's behalf must be banked or paid as provided in regulation 5.1. It may not be paid into an imprest account. 12.1.3 Reimbursements to imprest accounts must be made at least monthly. 12.1.4 Imprest holders are personally responsible for the custody of petty cash and shall ensure its safekeeping. On request they shall give the Section 151 Officer evidence of the state of the account.

13. SALARIES

	GENERAL PRINCIPLES		PRACTICES, PROCEDURES AND SYSTEMS
13.1	The Senior/Service Manager responsible for Human Resources will pay all salaries and other emoluments to all current and former Council employees.	13.1.1	Senior/Service Managers, or their authorised officers, will notify the Senior/Service Manager responsible for Human Resources as soon as possible of all matters affecting such payments. The Senior/Service Manager responsible for Human Resources may specify the form of the notification.
13.2	Senior/Service Managers, or their authorised officers, will ensure that all employee appointments accord with Council policy and the approved budget, grades, and rates of pay.	13.2.1	Senior/Service Managers will maintain a record of the specimen signatures of officers currently authorised on their behalf to certify relevant pay documents and time sheets. The record shall be in a form acceptable to the Senior/Service Manager responsible for Human Resources. Copies of specimen signatures shall be sent to the Senior/Service Manager responsible for Human Resources.
		13.2.2	All time sheets or other pay documents must be: (a) certified by or on behalf of the Senior/Service Manager; and (b) in a form approved by the Senior/Service Manager responsible for Human Resources.

SCHEDULE 1 – SUMMARY OF REQUIRED APPROVALS FOR BUDGET TRANSFERS, VIREMENTS AND SUPPLEMENTARY BUDGETS

Value	S151 Officer	Senior/ Service Manager (Band 10-11)	Assistant* Director	Strategic Director	Portfolio Holder	Finance Portfolio Holder	Cabinet	Council
Transfers: Any Value	C	D						
Virements:								
<= £50,000	C	D	C*					
£50,001 - £150,000	C	R	R	D	C			
£150,001 - £450,000 revenue	C	R	R	R			D	
£150,001 - £450,000 capital	C	R	R	D	C	C		
> £450,000	C	R	R	R			C	D
Supplementary Budgets:								
<= £25,000	C	D	C*					
£25,001 - £150,000	C	R	R	D	C	C		
£150,001 - £450,000 revenue	C	R	R	R			D	
£150,001 - £450,000 capital	C	R	R	D	C	C		
> £450,000	C	R	R	R			C	D
R = Requester								
D = Decision maker								
C = Consultee								
*Note: should your organisational structure not include an Assistant Director then you must consult your Strategic Director								