



# CONSTITUTION OF THE COUNCIL

## Part 4 Section 5

### **DRAFT FINANCIAL REGULATIONS**

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## 1. Introduction

- 1.1. The Finance Regulations and Contract Procedure Rules provide the framework for managing the Council's financial affairs. They apply to every Member and Officer and anyone acting on its behalf, including School Governors operating under local delegation arrangements. All decision makers need to ensure that they are not only empowered under the Constitution to make a decision, but that they are also authorised under these Rules to incur the financial consequences of every decision that they make.
- 1.2. Where urgent action becomes necessary as a result of some unforeseen emergency the Chief Executive, in consultation with the Director of Finance officer (or nominated representative), may take appropriate action and waive the Financial Regulations. Every use of this rule must be reported by the Director of Finance officer, in writing, to the next available meeting of the Policy and Resources Committee and Full Council.
- 1.3. The Director of Finance is responsible for maintaining a continuous review of the Finance Regulations and Contract Procedure Rules and submitting any additions or changes necessary to the Full Council for approval. The Director of Finance is also responsible for reporting, where appropriate, breaches of the Finance Regulations and Contract Procedure Rules to the Audit and Risk Management Committee.
- 1.4. The Senior Leadership Team is responsible for ensuring that all staff are aware of the existence and content of the Council's Finance and Contract Procedure Rules and other internal regulatory documents and that they comply with them, as required by the Council's Code of Conduct for Employees and this Constitution. Failure to comply with the Code of Conduct may result in disciplinary action.
- 1.5. The Director of Finance is responsible for issuing advice and guidance to underpin the Finance Regulations and Contract Procedure Rules that Councillors, Officers and others acting on behalf of the Council are required to follow.
- 1.6. Councillors have a fiduciary duty to local taxpayers to spend money wisely and to balance the interests of those who will pay against the interests of those who will benefit from the expenditure.
- 1.7. The Rules are not intended to cover every eventuality, but the spirit of the Rules must always be followed. Should there be a requirement for interpretation or any conflict between these Financial Regulations and any other part of the Constitution, the Monitoring Officer should be consulted. Should any conflict between these Financial Regulations and the Council's Budget and Policy Framework Rules, at Part 4(3) of this Constitution, the Council's Budget and Policy Framework Rules prevail.

## 2. Financial management

### 2.1. Responsibilities

- 2.1.1. Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework, revenue budget, trading activities' financial plans, capital programme and treasury management.
- 2.1.2. Committees are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Committee and Directors of Service responsibilities as far as possible.
- 2.1.3. The Audit and Risk Management Committee has a right of access to all the information necessary to effectively discharge its responsibilities and may consult directly with internal and external auditors. The Audit and Risk Management Committee is responsible for a range of matters as set out in Council's Constitution. The Committee's responsibilities with regard to the financial management of the Council include:
  - 2.1.3.1. overseeing the Council's role and responsibilities in respect of Corporate Governance and Audit
  - 2.1.3.2. ensuring that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit is actively promoted
  - 2.1.3.3. approving the Council's Annual Statement of Accounts
  - 2.1.3.4. approving the annual Internal Audit plan, and receiving reports from the Council's Internal Auditor, including the annual report of the Chief Internal Auditor
  - 2.1.3.5. ensuring the Council's Risk Management arrangements are operating effectively
  - 2.1.3.6. monitoring the effectiveness of the Council's Financial Regulations, Procurement Policy and Procedures and other strategies for counter fraud and corruption, anti-bribery, declarations of interest, gifts and hospitality, whistle blowing and anti-money laundering.
- 2.1.4. The Director of Finance (Section 151 Officer) is the Council's 'responsible financial officer' under the Accounts and Audit Regulations. They are responsible for the proper administration of the Council's affairs as specified in, and undertaking the duties required by Section 151 of the Local

Government Act 1972, Section 114 of the Local Government Finance Act 1988 and all other relevant legislation.

In order to fulfil these statutory duties and legislative requirements the Director of Finance will:

- 2.1.4.1. set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them
- 2.1.4.2. determine the accounting records and systems to be kept by the Council and the form of any supporting records. The Director of Finance officer shall ensure that the accounting systems approved are observed and maintained
- 2.1.4.3. ensure there is an appropriate framework of budgetary management and control
- 2.1.4.4. monitor performance against the Council's budget and advise upon the corporate financial position
- 2.1.4.5. ensure proper professional practices are adhered to and to act as Head of Profession in relation to the standards, performances and development of finance staff throughout the Council; all finance staff will have a direct reporting line to the Director of Finance officer
- 2.1.4.6. prepare and publish the Council's Statement of Accounts for each financial year, in accordance with the statutory timetable and arrangements specified by law
- 2.1.4.7. make proper arrangements for the audit of the Council's annual statement of accounts
- 2.1.4.8. ensure that claims for funds, including grants, are made by the due date and in compliance with the grant terms and conditions
- 2.1.4.9. make proper arrangements for the overall management of the Council's Internal Audit function
- 2.1.4.10. manage the treasury management activities in accordance with the Council's Treasury Management Policy Statement, Treasury Management Strategy and Prudential Indicators
- 2.1.4.11. manage the Pension Fund within the scope of the Local Government Pension Scheme Regulations

- 2.1.4.12. provide advice and guidance to reinforce the Financial Regulations that Members, Officers and others acting on behalf of the Council are required to follow
  - 2.1.4.13. maintain and continuously review the Financial Regulations and implement any changes
  - 2.1.4.14. take responsibility for advising the Council on corporate financial matters ; Chief Officers shall have responsibility for advising Members or Committees on financial matters relevant to their own service areas, where possible in consultation with the Director of Finance
- 2.1.5. Senior Leadership Team members are responsible for financial management within their directorates and spending within the limits of the budgetary framework set by Council. They shall manage the development of budget proposals with a detailed assessment of financial implications within the Budget and Policy Framework agreed by the Council.

## **2.2. Schemes of Financial Delegation**

The Senior Leadership Team members will establish, operate and keep under review local Schemes of Financial Delegation to ensure that the day-to-day financial management of services within their directorate is carried out in a secure, efficient and effective manner, and in accordance with the Finance Regulations, Contract Procedure Rules and associated relevant guidance.

## **2.3. Revenue budget monitoring and control**

Once the budget is approved by the Council, Chief Officers are authorised to incur expenditure in accordance with the approved budget, subject to the limits in the Constitution and local Schemes of Financial Delegation to officers. Chief Officers must, however, maintain effective budgetary control within their service to ensure that spending is contained within the annual budget limit and to secure value for money.

- 2.3.1. It is the responsibility of Senior Leadership Team to control income and expenditure within their area and to monitor performance, taking account of financial information and guidance provided by the Director of Finance. They must report on variances within their own areas. They must also take any action necessary to avoid exceeding their budget allocation and alert the Director of Finance to any potential overspending or under-achievement of income budgets in a timely manner.
  - 2.3.1.1. The Director of Finance, with the support of the Senior Leadership Team, is responsible for establishing an appropriate framework of budgetary management and control which ensures that:

- budget management is exercised within annual budget limits unless the Full Council agrees otherwise
  - timely information on receipts and payments is made available, which is sufficiently detailed to enable officers to fulfil their budgetary responsibilities
  - expenditure is committed only against an approved budget.
  - all officers responsible for committing expenditure comply with relevant guidance and Finance and Contract Procedure Rules. Consideration must also be given to the requirements relating to key decisions. (Part 4, Section 2, paragraph 8 of the Constitution).
  - each cost centre has a single named manager, determined by the relevant Head of Service. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure
  - significant variances from approved budgets are investigated and reported by budget managers regularly.
- 2.3.1.2. Reports shall be produced to Committees and Full Council, with the relevant Chief Officer or Head of Service, where they are unable to balance expenditure and resources within existing approved budgets under their control
- 2.3.1.3. Reports shall be produced on the Council's projected income and expenditure compared with the budget on a regular basis.
- 2.3.1.4. Schemes of Financial Delegation are maintained for all functions within their area of responsibility
- 2.3.1.5. A Business Case is prepared for all revenue proposals with a significant financial impact, risk profile or policy change.

#### 2.3.2. Scheme of virement

The scheme of virement is intended to enable budgets to be managed with a degree of flexibility within the overall framework determined by the Council, and therefore optimise the use of resources.

- 2.3.2.1. Virements are not permitted:
- in relation to asset charges or other budget headings that are deemed to be outside the control of the relevant budget holder, or where a proposal would adversely affect long-term revenue commitments
  - between revenue and capital budgets

- 2.3.2.2. Budget virements are subject to the following approval limits
- up to and including £100,000 - Chief Officer in consultation with the Budget Holder
  - more than £100,000 but no more than £500,000 – Relevant Committees and Chief Officers may approve virement of revenue budget up to and including £500,000 (cumulatively up to £1,000,000 over the financial year) provided that there is no virement of revenue budget transfer between ‘Directorates’ (Budget Heads)
  - amounts above £500,000 must be referred to Policy and Resources Committee which may vire an amount over £500,000 where it considers that virement across budget heads or budgets has become necessary or desirable, is consistent with approved Council policy and there would be no consequential revenue effects in later years.
- 2.3.2.3. Budget virements are not subject to the approval limits where a budget will continue to be used for the approved purpose but is being moved, for example, to reflect a change in budget holder responsibilities. Such transfers will however require the approval of the relevant representative of the Director of Finance.

## **2.4. Capital Programme monitoring and control**

Once the Capital Programme has been approved, project owners must ensure that the scheme is appropriately managed. Monitoring and reporting requirements are outlined in section 3.3 Capital Programme.

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

- 2.5.1. Overspends or underspends in relation to the approved revenue budget may occur for a variety of reasons. With regard to General Fund budgets, there is no ‘as of right’ carry forward of underspends from one financial year to another except where this is provided for by a binding partnership agreement or other legal agreement with a third party. Individual School’s budgets are ring-fenced in accordance with statutory provisions thus overspends and underspends are always carried forward into future years.
- 2.5.2. Any revenue underspending at the year-end may be carried forward, subject to the agreement of the Director of Finance following consideration of the overall financial position by the Policy and Resources Committee. All carry forward proposals must be supported by an appropriate Business Case demonstrating that the underspend was planned and that the resources carried forward will be earmarked for a specific and appropriate purpose. Where carry-forwards are agreed, they will be allocated to an Earmarked Reserve until they are utilised.

2.5.3. Capital schemes in particular can be prone to delay. It cannot be assumed that underspends will automatically roll forward into the following year. Requests to carry forward funding should make clear whether they are due to re-profiling of schemes or for other reasons. Requests for carry forward should be made to the Director of Finance officer who will report variances to the Capital Programme to Council for final approval.

## **2.6. Accounting Policies, Records and Returns**

- 2.6.1. The Director of Finance is responsible for control and assurance and therefore determines appropriate accounting policies and procedures; exercising oversight of financial and accounting records and systems; and preparing and publishing reports containing statements on the overall finances of the Council, including the annual statement of accounts.
- 2.6.2. Financial statements must present fairly the financial position of the Council and its expenditure and income.
- 2.6.3. All accounts and accounting records will be compiled by the Director of Finance or under their direction. The form and content of records maintained in other directorates will be approved by the Director of Finance along with reconciliation procedures.
- 2.6.4. The Director of Finance is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Council Accounting in the United Kingdom (CIPFA/LASAAC).
- 2.6.5. All statutory financial returns must be completed in line with published guidelines and timescales.
- 2.6.6. Financial records must be retained in line with statutory requirements and the Corporate Record Retention Policy.

## **3. Financial Planning**

### **3.1. Budget and policy framework**

- 3.1.1. The Council is responsible for agreeing a framework of corporate policies that set out and underpin the Corporate Plan. The key elements of this framework are:
- 3.1.1.1. The Council Plan – this sets out the longer term aims and objectives for Wirral.



- 3.1.1.2. Medium Term Financial Strategy (MTFS) – this brings together the key assumptions about financing resources (including council tax, non-domestic rates and government funding settlements) and spending pressures over the medium to longer term. This enables the Council to plan for financial risks and thus inform the setting of service financial targets for the annual revenue budget and capital payments guidelines.

The Director of Finance will ensure that the MTFS is presented to the Policy and Resources Committee and Council as part of the annual budget setting process.

The responsibilities of the Director of Finance are to:

- develop a five-year MTFS (including the current budget year)
- undertake a formal review of the MTFS on an annual basis and update where necessary

Chief Officers must provide information that may be requested by the Director of Finance to support the MTFS

- 3.1.1.3. Revenue Budget – this is the financial expression of the Council's Corporate Plans. It sets out the allocation of resources to Committees, services and projects, the level of contingency funding, the Council Tax base and Council Tax rate, borrowing limits and capital financing requirements. See also section 3.2 Revenue Budget.

- 3.1.1.4. Capital Programme – Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. See also section 3.3 Capital Programme.

- 3.1.1.5. Treasury Management Strategy – this sets out the arrangements for the management of the Council's borrowing, lending, cash flows and investments. The Policy and Resources Committee, in conjunction with the Director of Finance, will propose an annual Treasury Management Strategy, a set of Prudential Indicators and a policy for making revenue provision for the repayment of debt (referred to as the 'Minimum Revenue Provision' policy) to the Council in advance of the start of the relevant financial year. These will be consistent with the Council's revenue budget and capital programme proposals. These documents are required to comply with CIPFA's Codes of Practice on Treasury Management and the Prudential Framework for Capital Finance, relevant Regulations and with the Council's own Treasury Management Policy Statement and Treasury Management Practices; they will set the parameters within which

investment and borrowing activity will be managed during the forthcoming financial year.

- 3.1.1.6. Fees and charging policy - Chief Officers, in consultation with the Director of Finance, will follow the relevant charging policy for the supply of goods or services where charges may be lawfully applied, and the annual forecast of the recoverable amount is £250,000 or more. Charges will be reviewed annually. All new charges, and amendments to existing charges, will be subject to formal approval in accordance with the Council's Constitution. Further detail on income is provided in Section 5.2.
- 3.1.1.7. Pay policy - the pay policy statement will be prepared as required by law. At present it is required to set out the Council's policy on the level and elements of remuneration for each chief officer, the remuneration of its lowest paid employees, and the relationship between the remuneration of its chief and other officers. It is also required to address other specific aspects of chief officer remuneration such as remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.
- 3.1.1.8. Specific Service Plans and Strategies which have a financial implication.

## **3.2. Revenue budget**

The revenue budget reflects the day to day running costs and associated receipts of the Council. This includes costs for salaries, energy, traveling and other costs incurred in providing services plus income raised by charging service users and government grants.

- 3.2.1. The Director of Finance will determine the general format of the budget.
- 3.2.2. The Chief Executive, in conjunction with the Director of Finance officer, will manage the preparation of the budget on an annual basis for consideration by the Council in line with the Budget and Policy Framework Rules. The annual budget will include allocations to different services and projects, proposed taxation levels and contingencies.
- 3.2.3. Detailed budgets, as proposed by Chief Officers, will be subject to challenge and review through a process determined by the Director of Finance.
- 3.2.4. The Director of Finance is responsible for reporting to Full Council on the robustness of estimates contained within the budget and the adequacy of reserves allowed for in the budget proposals.

- 3.2.5. The Council shall not approve amendments to either revenue or capital budgets without first having considered the advice of the Director of Finance on the financial implications arising.
- 3.2.6. The Director of Finance is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations at a corporate level and report to the relevant Committees on the overall position on a regular basis. See also section 2.3 Revenue budget monitoring and control.

### **3.3. Capital Programme**

The Capital Programme is the Authority's plan of capital projects and spending over future years. The Policy and Resources Committee, in conjunction with the Director of Finance, will manage the preparation of a capital programme, on behalf of the Council, on an annual basis in accordance with the Council's capital projects' governance arrangements.

Capital expenditure of less than £10,000 will be charged to revenue on the grounds of materiality.

- 3.3.1. Capital projects - approvals are sought on an individual project basis and reflect the total cost of each project rather than the anticipated expenditure in each year.
- 3.3.1.1. A Business Case must be prepared for all capital proposals before approval is sought for inclusion in the Capital Programme. The Business Case will be in a format to support decision making, and must identify whole life costs, for revenue and capital. The amount of detail will be proportionate to the value and level of risk. Where there is a greater risk further detail in the Business Case may also be required.
- 3.3.1.2. Any 'in year' approval sought to vary the financial values or implications of a capital scheme, must be supported by an update to the Business Case.
- 3.3.1.3. Once the Capital Programme has been approved, project owners must ensure that the scheme is appropriately managed to achieve appropriate Time, Quality and Cost measures in accordance with the business case. This could be supported by production of a more detailed Business Case outlining how the Project or Programme will achieve the associated benefits.
- 3.3.1.4. Project owners must provide regular reporting of progress of their schemes to the relevant committee. Where project performance or outcomes are at risk of significantly varying from the business case the project owner is responsible for taking appropriate mitigating action including the need to seek appropriate approvals as required. All reporting

and monitoring activity should be evidenced and recorded in a way that can be accessed to support auditing of project activity. Guidance should be sought from the Director of Finance if required.

3.3.1.5. Council will approve the re-profiling of spend on approved capital schemes across financial years and carry forward of slippage/accelerated spend into financial years as part of the budget monitoring/setting processes.

### 3.3.2. Financing of capital expenditure

The Director of Finance will determine the financing of the capital programme, taking into consideration the availability of reserves and balances, funding from other bodies and the affordability of borrowing.

### 3.3.3. Capital Receipts

3.3.3.1. The Director of Finance must be informed of all proposed capital receipts including sales of land and buildings so that the effect on financial and property management can be assessed.

3.3.3.2. On the advice of the Director of Finance, the Council will determine how capital receipts will be applied when setting the budget. Schools capital receipts are ring-fenced and thus can only be used in a prescribed manner.

## 3.4. Reserves

3.4.1. The Director of Finance is responsible for advising on the prudent levels of reserves for the Council. The key controls are:

3.4.1.1. to maintain reserves in accordance with the Code of Practice on Local Council Accounting in the United Kingdom and agreed accounting policies,

3.4.1.2. for each reserve established, the purpose, usage and basis of transactions should be clearly identified

3.4.1.3. reserves are used only for the purpose for which they were intended

3.4.2. Authorisation to establish and add to a reserve is by the appropriate Chief Officers in conjunction with the Director of Finance and authorisation to incur expenditure against the reserve is by the appropriate Chief Officer.

## 3.5. Leasing, Rental and Right of Use Agreements

- 3.5.1. Leasing, rental or hire purchase agreements must not be entered into unless the service has established that they do not constitute a charge against the Council's prudential borrowing limits. All lease type arrangement must comply with IFRS 16 and approved by the Director of Finance.

### **3.6. Internal trading activities**

- 3.6.1. The requirements for a service to be designated as a trading activity include:
- provision of all, or the majority, of their services in an environment where their customers have the option to use them or an alternative service provider; and
  - charging for the full cost of the goods / services they provide, on the basis of an agreed charge or rate.
- 3.6.2. Services are only permitted to operate as a trading activity with the prior approval of the Council, in consultation with the Director of Finance officer and the Monitoring officer.
- 3.6.3. Trading activities are each required to:
- 3.6.3.1. maintain a Trading Account into which all expenditure related to the provision of their services will be charged (i.e. including direct costs, the full costs of services provided by the Council's support services, any service management provided by senior managers and asset and other accounting charges).
- 3.6.3.2. receive all income due for work done by the trading activity. Exceptions to the requirement for a Trading Accounts will apply when the Service funded is occasional and below a limit value set by the Director of Finance.
- 3.6.3.3. balance their budget by generating sufficient income to cover the full costs of service provision.
- 3.6.3.4. operate within the Council's overall arrangements and rules for personnel and resource management. Council may approve special arrangements in exceptional circumstances, where it can be demonstrated that adherence to these rules and arrangements would lead to the unit becoming uncompetitive and losing work and that the proposed departure does not expose the Council to significant risk.

## **4. Risk Management and Control of Resources**

## 4.1. Risk management

- 4.1.1. 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.
- 4.1.2. The Council has adopted a Risk Management Policy and Strategy which has been approved by Audit and Risk Management Committee and is regularly updated to ensure its continuing effectiveness on a continuous basis.
- 4.1.3. Chief Officers are responsible for ensuring the Risk Management Policy and Strategy is implemented and that the Risk Management framework operates within their Service. Risk Management should be embedded throughout the organisation at both a strategic and an operational level, through integration into existing systems and processes.
- 4.1.4. There are several levels of risk register within the Council. There should be a movement of risks both upwards and downwards through the levels and treatment addressed at the most appropriate level of the organisation:
  - 4.1.4.1. Corporate Risk Register - contains risks impacting on the organisation's overall objectives
  - 4.1.4.2. Departmental/Directorate Risk Registers - contain strategic and operational risks with the potential to impact on the delivery of Departmental/Directorate objectives. These are managed and reviewed, at least quarterly, by Directorate Management Teams.
  - 4.1.4.3. Service/Team Risk Registers – contain operational risks with the potential to impact on the delivery of service or team priorities and act as a feeder for risks to be elevated to the Departmental/Directorate Risk Register
  - 4.1.4.4. Programme/Project Risk Register – contain risks associated with delivery of individual projects, managed and reported via the Programme Office and escalated to Investment and Change Board and/or Departmental/Directorate Risk Register.
- 4.1.5. The Director of Finance is responsible for preparing the Council's Risk Management Policy and Strategy, and for promoting it throughout the Council to ensure effective management and monitoring of risks.
- 4.1.6. Business Continuity - The Civil Contingencies Act 2004 places a statutory requirement for Local Authorities to maintain plans for the continuation of services in the event of an emergency, as far as is reasonably practicable.

4.1.7. The Director of Finance is responsible for developing the Business Continuity Strategy which is approved by the Audit and Risk Management Committee. Chief Officers are responsible for ensuring arrangements are in place to ensure the continuity of service delivery in the event of a disruptive incident. This is managed via the development of robust Business Continuity Plans which are regularly maintained and tested in accordance with the Business Continuity Strategy. This extends to those Council services provided by third parties and the ongoing monitoring and compliance with this requirement via contract performance management.

#### 4.1.8. Internal Controls

4.1.8.1. The Director of Finance is responsible for advising 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 statutory and other authorities that govern their use.

4.1.8.2. It is the responsibility of Senior Leadership Team to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve best value, continuous improvement, economy, efficiency and effectiveness, and for achieving their financial performance targets.

4.1.8.3. The Council must, on an annual basis, produce an Annual Governance Statement. This statement must provide a description of the system of internal control within the Council, a description of any work undertaken to assess the effectiveness of the internal control framework, and any significant internal control weaknesses.

## 4.2. Audit arrangements

4.2.1. Internal Audit - the Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which facilitates the effective exercise of its functions; the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for risk management.

4.2.1.1. To contribute to the production of the Annual Governance Statement, the Head of Internal Audit, is responsible for planning and delivering a programme of independent review of the Council's activities, the scope of the programme being based on the Council's objectives and an assessment of the risk which may affect the achievement of these objectives.

- 4.2.1.2. The Head of Internal Audit will present an annual report to the Audit and Risk Management Committee, summarising the audit plans for the coming year and a commentary on audit activity which is completed or in progress, with regular reports setting out progress against the annual audit plan. In addition, any matters of material importance in relation to audit matters are also reported to the Audit and Risk Management Committee.
- 4.2.1.3. Internal Audit staff have, in accordance with the Accounts and Audit Regulations, (with strict accountability for confidentiality and safeguarding records and information), full, free and unrestricted access to any and all of the Council's premises, personnel, assets, records and third-party fund transactions pertinent to conducting any engagement, including those of the Council's alternative service delivery vehicles. These rights of access should be documented in the management agreement.
- 4.2.1.4. With regards to organisations participating in partnering arrangements, Internal Audit staff shall have such access to the premises, personnel assets and records of the partner as is necessary for the purposes of the partnering arrangement, as detailed in section 6 below. Partners will be required to grant reasonable access when requested and details of such access should be agreed with the partner and set down in the Partnering Agreement. Where the right of access has not been specified in existing arrangements then appropriate discussions with partners should take place.

#### 4.2.2. External Audit

- 4.2.2.1. The Local Audit and Accountability Act 2014 established new arrangements for the audit and accountability of relevant authorities. Under these new arrangements the Council has opted for its external auditors to be appointed by the Public Sector Audit Appointments Limited (PSAA), an independent company established by the LGA for this purpose.
- 4.2.2.2. 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.

### 4.3. Preventing Fraud and Corruption

- 4.3.1. The Council has an approved Counter Fraud and Corruption Strategy which places responsibility for preventing fraudulent activity with all Members, Managers and individual members of staff. Any matters which involve, or are thought to involve, any fraud or other significant irregularity involving Council assets or those of a third-party fund, must be notified immediately



to the Head of Internal Audit, in conjunction with other officers detailed in the Council's Counter Fraud and Corruption Strategy.

4.3.2. Other policies and arrangements in place to support the prevention of fraud and corruption are:

- Conflict of interests' policy
- Gift and Hospitality policy
- Whistle-blowing policy
- Code of Conduct
- Anti-Money Laundering policy
- Anti-bribery policy

4.3.3. In addition, all members of staff are required to regularly complete and refresh their level of governance training.

#### **4.4. Insurance**

4.4.1. The Council is responsible for ensuring that adequate proper insurance arrangements exist.

4.4.2. The Director of Finance is responsible for advising the Council on proper insurance cover and managing the Council's insurances.

4.4.3. The settlement of insurance claims against the Council is subject to the following approval limits:

- up to and including £20,000 – Senior Liability Claims Officer
- in excess of £20,000 but no more than £150,000 – Assistant Director Finance and Investment
- in excess of £150,000 but no more than £1m – Director of Finance (in consultation with the Insurance Manager)
- in excess of £1m – Audit and Risk Management Committee

4.4.4. The Director of Finance will notify Audit and Risk Management Committee if the total value of claims during a financial year exceeds £1m for any of the following classes of claim:

- Employer liability
- Public liability (highways)
- Public liability (non-highways)
- Property
- Motor
- Other

- 4.4.5. Chief Officers must comply with all relevant insurance terms and conditions, and:
- 4.4.5.1. Notify the Director of Finance officer immediately of any loss, liability or damage that may lead to a claim against the Council
  - 4.4.5.2. Notify the Director of Finance officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances
  - 4.4.5.3. Consult the Director of Finance officer and the Monitoring Officer on the terms of any indemnity that the Council is proposing to give
  - 4.4.5.4. Ensure that employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim
  - 4.4.5.5. Ensure all officers are aware of their responsibilities relating to the use of insurance policies
  - 4.4.5.6. Identify and report to the Director of Finance officer and Monitoring Officer any changes which could affect risks insured by the Authority
  - 4.4.5.7. Ensure that any conditions affecting insured risks are met and departmental actions do not invalidate any claims

#### **4.5. Assets**

In the context of these Rules, Assets include buildings, land and infrastructure, furniture, equipment, plant, stores, cash balances and "intellectual property" such as computer software, data and information of all kinds.

All staff have a responsibility for safeguarding the Council's assets and information, including safeguarding the security of the Council's computer systems and paper records, and for ensuring compliance with the Council's computer and internet security policies.

- 4.5.1. The Senior Manager Asset Management will undertake the role of 'corporate landlord' and will ensure that:
  - 4.5.1.1. the proper security and maintenance of all premises occupied and/or owned by the Council
  - 4.5.1.2. Record Management hold the title deeds for all Council properties
- 4.5.2. Chief Officers are responsible for:

- 4.5.2.1. the care, control and proper and economical use of all assets used in connection with the operation and delivery of their Services. Proper records should be maintained for these assets, together with appropriate arrangements for their management and security.
- 4.5.2.2. ensuring that assets are used only for official purposes and that all appropriate rights, licenses and insurances are obtained.
- 4.5.2.3. ensuring that all computer software used is properly licensed
- 4.5.3. The Director of Finance is responsible for the maintenance of a corporate register of the Council's property, plant and equipment assets.
- 4.5.4. Land and property
- 4.5.4.1. Land and property transactions include:
- freehold acquisitions and disposals
  - long leasehold acquisitions and disposals
  - short leases as tenant and as landlord
  - entering into section 106 agreements as landowner
  - release of covenants
  - compulsory acquisitions and land compensation claims
  - taking and granting easements
  - option Agreements
  - lease surrenders and exit agreements (including dilapidations).
- 4.5.4.2. Each of these transactions has a financial consequence for the Council and the following approvals are required:
- up to and including £100,000 – Senior Manager Asset Management
  - in excess of £100,000 – Policy and Resources Committee
- 4.5.5. Inventories
- 4.5.5.1. Heads of Service must ensure that proper arrangements are made to maintain inventories of all valuable and transportable items, including vehicles, furniture, computer and other equipment (including software), visual aids, expensive tools and sports equipment.
- 4.5.5.2. The inventory must be updated for all acquisitions and disposals and checked at least annually. Items acquired under leasing arrangements must be separately identified for disclosure in the published final accounts.

- 4.5.6. Stock is defined as consumable items constantly required and held by a Service in order to fulfil its functions. Heads of Service are responsible for the control of stocks. They must ensure that stocks are appropriately secured and recorded, do not exceed reasonable requirements and that all significant stock is accounted for in the year end accounts. Stocks should be checked at least once a year, more frequently in the case of expensive and/or security-controlled items such as cheques.
- 4.5.7. Cash held on any Council premises should be held securely and should not exceed any sums for which the Council is insured. If retention of cash on site is unavoidable in exceptional circumstances, the Head of Service is responsible for making appropriate security arrangements. All cash should be banked as quickly as possible.
- 4.5.8. Asset Disposal/Write-off
- 4.5.8.1. Chief Officers (in consultation with the Director of Finance) may authorise the write off of losses or disposal of assets (excluding land and property) up to and including £50,000. Write offs over £50,000 will require approval as follows:
- Inventory – Policy and Resources Committee
  - Assets (excluding land and property) up to and including £100,000 – relevant Committee (in consultation with the Director of Finance)
  - Assets (excluding land and property) more than £100,000 – Policy and Resources Committee
- 4.5.8.2. Land and property disposals up to and including £100,000 may be authorised by the Senior Manager Asset Management unless the value of the Council's interest or sale proceeds are less than the book value in which case approval must be sought from the Policy and Resources Committee. Disposals in excess of £100,000 require approval from the Policy and Resources Committee.
- 4.5.8.3. Any write off which arises as a result of theft or fraud must be notified to the Head of Audit and Risk immediately.
- 4.5.9. Treasury Management
- 4.5.9.1. The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 4.5.9.2. The full Council is responsible for approving the Treasury Management Strategy. The Director of Finance has delegated responsibility for implementing and monitoring the approved policy and practice (without financial limit).

- 4.5.9.3. All money in the hands of the Council is controlled by the Director of Finance.
- 4.5.9.4. The Director of Finance is responsible for reporting to the Policy and resources Committee periodically in each financial year on treasury management activities undertaken within delegated powers.
- 4.5.10. Investments and Borrowings - it is the responsibility of the Director of Finance to:
- 4.5.10.1. ensure that all investments of money are made in the name of the Council or in the name of approved nominees.
- 4.5.10.2. ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in safe custody
- 4.5.10.3. effect all borrowings in the name of the Council.
- 4.5.10.4. act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.
- 4.5.11. Trust Funds and Funds Held for Third Parties - it is the responsibility of the Director of Finance to:
- 4.5.11.1. arrange for all trust funds to be held, wherever possible, in the name of the Council (e.g. 'Wirral Borough Council on behalf of.....'). All officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust with the Director of Finance unless any deed otherwise provides.
- 4.5.11.2. arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Director of Finance, and to maintain written records of all transactions.
- 4.5.11.3. ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.
- 4.5.12. Intellectual Property

Intellectual property is a generic term that includes inventions and writing. If an employee creates these during employment then they belong to the Council, not to the employee.

Like any assets, intellectual property is an essential factor in ensuring business continuity within the Council, and the effective delivery of Council

services. It is critical therefore, that the Council puts in place adequate controls over the ownership, storage and use of all intellectual property.

Chief Officers will ensure that their staff are aware of the Council's rights about intellectual property. Instances where intellectual property has been (or may be) created which has, or may have, commercial value to the Council should be referred to the relevant Officer(s).

#### **4.6. Staffing**

Council staff are an essential part of providing the highest level of quality services. Staff are the greatest single item on which the Council spends its budget. It is therefore crucial that procedures and guidance issued by Human Resources are followed precisely. In order to provide the highest level of service, it is crucial that the Authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level within the resources available.

- 4.6.1. The Head of Paid Service is responsible for providing overall management to staff and is also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job. The Assistant Director of Human Resources acts as an advisor to Chief Officers on areas such as national insurance, pension contributions and HR policy.
- 4.6.2. Chief Officers have primary responsibility for their establishment and are accountable for compliance with establishment and financial controls. Chief Officers are responsible for:
  - 4.6.2.1. ensuring that positions are only created as new requirements and associated funding
  - 4.6.2.2. that all changes to staffing levels are communicated to Human Resources as soon as possible to ensure financial and operational records are kept up to date
  - 4.6.2.3. for instructing Human Resources and for providing appropriate and accurate information to enable the prompt and accurate payment of travelling, subsistence and other expenses where applicable
- 4.6.3. The Director of Finance will:
  - 4.6.3.1. advise Chief Officers on areas such as national insurance and pension contributions, as appropriate. I ensure that budget provision exists for all existing and new Officers and prepare an annual staffing budget for

services, in consultation with Chief Officers and ensure it is an accurate forecast of staffing levels.

- 4.6.3.2. ensure arrangements for payment to the appropriate bodies, of all statutory taxation and other payroll deductions

**4.7. Third Party Funds** are defined as any fund financed other than by the Council, controlled wholly or partly by a member of the Council's staff in connection with the clients, establishments or activities of the Council such as School Funds, Amenity Funds or Criminal Injuries Compensation Payments for children in care.

- 4.7.1. Money or goods belonging to the Third-Party Fund must be kept completely separate from other money or goods belonging to the Council. Similarly, completely separate records must be kept of the money or goods involved.

- 4.7.2. The Senior Leadership Team is responsible for ensuring that any Third-Party Funds controlled by Council staff are:

- 4.7.2.1. maintained separately and correctly in accordance with these Finance Regulations; and

- 4.7.2.2. subject to the same standards of stewardship and probity as Council funds.

#### **4.8. Retention of records**

- 4.8.1. The Returning Officer will be responsible for maintaining complete and accurate records and for reconciliation with regard to elections accounts.

- 4.8.2. The Council, in common with other public and private organisations, has certain statutory obligations it has to meet for the retention of its records. It also has to fulfil the requirements of HM Revenue and Customs, other legislative requirements and the external auditors in respect of its financial records.

- 4.8.3. The majority of financial records must be kept for 6 years from the end of the tax year to which they relate. Some records, however, may need to be kept for longer periods e.g. if required to defend future insurance claims. It is possible others can be destroyed within shorter periods. Guidance on the appropriate retention period is given in the Council's Corporate Record Retention Policy.

- 4.8.4. All records held should have an appropriate retention period assigned to them, which meet the statutory obligations to retain financial records, but also considers legislative requirements such as the Limitation Act, GDPR,

Data Protection Act; Freedom of Information requirements; and the business needs of the Service.

## **5. Financial Systems and Procedures**

### **5.1. Banking Arrangements**

- 5.1.1. All bank accounts must be titled impersonally in the name of Wirral Borough Council.
- 5.1.2. Subject to any directions given by the Council, all arrangements with the Council's bankers must be made solely through the Director of Finance. No bank accounts may be opened, or arrangements made with any other bank except by agreement with the Director of Finance.
- 5.1.3. Bank transfers must be authorised by the Director of Finance, or those officers authorised to sign through the agreed local Scheme of Financial Delegation or in accordance with the Treasury Management Policy.
- 5.1.4. Direct debits can only be set up with the prior Approval of Finance in line with the local scheme of delegation for the Finance Directorate.
- 5.1.5. Payments must be authorised in line with local Schemes of Financial Delegation
- 5.1.6. Chief Officers must:
  - 5.1.6.1. Make secure arrangements for the receipt of income and subsequent prompt banking
  - 5.1.6.2. Adhere to the banking instructions issued by the Director of Finance

### **5.2. Income**

- 5.2.1. The Director of Finance is responsible for developing and maintaining standards, procedures, systems and reports to facilitate the effective and efficient identification, collection, receipting, banking and recovery of income due to the Council.
- 5.2.2. Charges will be reviewed annually in line with the Fees and Charges Policy. The Fees and Charges Policy will be approved by Council as part of the annual budget setting process.



- 5.2.3. Council officers must comply with guidelines issued by the Director of Finance for the safe and efficient collection and recording of all money due to the Council.
- 5.2.4. Bad Debts
- 5.2.4.1. The Council has a Corporate Debt Policy with the guiding principle that customers have a responsibility to pay amounts that have been properly assessed as being due. The Council is committed to using the most appropriate and effective recovery methods available to it. In certain circumstances and for justifiable reasons it will be necessary to classify some debts as irrecoverable and to recommend that they be written off, however this does not preclude pursuit of the debt.
- 5.2.4.2. Chief Officers will critically review outstanding debts on a regular basis, in conjunction with the Director of Finance, and take prompt action to write off debts no longer deemed to be recoverable. Chief Officers will recommend to the Director of Finance all debts to be written off in line with the following approval limits:
- up to and including £10,000 – Budget Holder in consultation with the Director of Finance
  - more than £10,000 – Policy and Resources Committee
- 5.2.4.3. The Senior Leadership Team is responsible for ensuring that an adequate provision for bad debt is made in the Council's accounts at year end and that contributions to this provision are included in budgetary projections and outturn reports. A record must be maintained for all debts written off.

### **5.3. Purchase of goods and services**

- 5.3.1. The Senior Leadership Team and Heads of Service are responsible for providing all appropriate information and instructions to Transactional Services to allow for prompt and accurate payment for goods and services provided and for the analysis of expenditure.
- 5.3.2. Except for purchases by Purchase Card, imprest accounts, periodic payments such as rent or rates, Grant payments, contributions made to other Public Sector Bodies and Subscriptions all purchases must be supported by an official requisition and purchase order unless previously agreed with the Head of Procurement.
- 5.3.3. All purchases must have regard to these Financial Regulations, Contract Procedure Rules and local Schemes of Financial Delegation. Consideration must also be given to the requirements relating to key decisions. (Part 4, Section 2, paragraph 8 of the Constitution).

5.3.4. All requisitions and purchase orders must be authorised in accordance with the approved budget and the limits below to ensure that funds are available to pay for the purchase.

- up to and including £100,000 – Budget Holder
- more than £100,000 but less than £250,000 – Chief Officer
- more than £250,000 but less than £1.5m – Chief Officer in consultation with the Director of Finance
- more than £1.5m – relevant Committee

5.3.5. Heads of Service must ensure that there is adequate separation of duties in the raising and authorisation of requisitions, authorising of purchase orders, receipt of goods and authorisation of payments to creditors.

5.3.6. Heads of Service must consult the Director of Finance on appropriate arrangements for purchases of goods and services which cannot be accommodated within standard ordering and payment processes.

5.3.7. Payment of Invoices

5.3.7.1. All invoices must be sent directly by the creditor to the address stated on the official purchase order to enable prompt payment.

5.3.7.2. All invoices, as a minimum, must include the official purchase order number, the description of the goods or services provided, the quantity delivered, the delivery address, the date of the invoices and/ or date of delivery of the goods or services, the address and VAT registration number of the supplier and the price and VAT at the prevailing rate.

5.3.7.3. Invoices received without a valid purchase order number will be returned to the creditor as unauthorised for payment.

5.3.7.4. The Council's standard payment terms are 30 days from receipt of a correct invoice by BACS (Bankers Automated Clearing System). Alternative terms may not be negotiated or agreed with suppliers without the explicit approval of the Head of Procurement.

5.3.7.5. Payment will only be made for goods and services which have been formally receipted in accordance with receipting procedures set out by the Director of Finance.

5.3.8. Non-invoice Payments

5.3.8.1. Where Heads of Service wish to initiate a payment to a third party without a supporting invoice, an official request for payment must be submitted in a form approved by the Head of Procurement.

- 5.3.8.2. Any such requests must be authorised by an officer designated with an appropriate approval limit in the relevant local Scheme of Financial Delegation. They are responsible for ensuring that all payment details provided are accurate and that supporting records and documentation are available to substantiate the payment, including an official VAT receipt to allow for the reclaim of any VAT element.
- 5.3.8.3. Appropriately authorised requests for payment will be processed and paid by BACS.
- 5.3.8.4. Non-invoice payments should be requested on an exceptional basis only. Where payments of this type need to be made on regular basis Heads of Service must consider, in conjunction with the Head of Procurement, other alternative options which may be more appropriate.
- 5.3.8.5. Payments or reimbursements in respect of salaries and wages, travelling expenses or other employment allowances must be processed through the Payroll system and not treated as a non-invoice payment.
- 5.3.9. Purchase cards are an effective method of payment for goods and services of low value and for one off purchases. Heads of Service are responsible for the appropriate deployment and management of Purchase cards within their service in accordance with the local Scheme of Financial Delegation.
- 5.3.10. Imprest Accounts
- 5.3.10.1. Wherever possible, purchase cards will be used for low value transactions and where there are no mandated procurement contracts in place. However, in the limited circumstances when purchase cards cannot be used, the Director of Finance may provide bank imprest (petty cash) accounts to meet minor expenditure on behalf of the Council of up to £50 per transaction. Where circumstances require individual payments in excess of £50, approval to set-up a local arrangement must be sought from the Director of Finance.
- 5.3.10.2. Heads of Service are responsible for ensuring that the rules of operation issued by the Director of Finance are adhered to, and that:
- local Schemes of Financial Delegation set out clearly the responsibilities and approval limits of individual officers in respect of these arrangements
  - adequate records are maintained to allow for the verification and reconciliation of all payments made to the Council's general ledger and bank accounts, and to allow for the proper treatment of VAT
  - arrangements are being operated for legitimate Council business only.

5.3.11. Local arrangements may not be used in any circumstances to circumvent either these Financial regulations or the Contract Procedure Rules.

#### **5.4. Payment to Members**

5.4.1. The Director of Law and Corporate Services will arrange for payments to Members entitled to claim allowances through selfserve, on receipt of the proper form, completed and certified in accordance with the approved scheme for allowances set out in Part 6 of the Constitution.

#### **5.5. Taxation**

5.5.1. The Director of Finance is responsible for ensuring compliance with all relevant taxation regulations and guidance that affect the Council either directly, because of its own activities, or indirectly, because of service delivery through external partners.

5.5.2. The Director of Finance will ensure that:

5.5.2.1. proper arrangements are in place for the administration and accounting for taxation

5.5.2.2. timely completion of statutory returns as directed by HMRC e.g. VAT and PAYE

5.5.2.3. provision of up-to-date guidance for officers on taxation

#### **5.6. Emergency payments**

5.6.1. Emergency payments may arise because of unforeseen circumstances (e.g. as a consequence of a natural disaster, a civil emergency or a court order etc.) where budget provision has not been made and the payment cannot be covered within the relevant service's existing budget. Emergency payments can only be made in extenuating circumstances with the following approval:

- up to and including £250,000 – Chief Officers
- in excess of £250,000 but not more than £1m – Chief Executive or Director of Finance
- in excess of £1.5m – Policy and Resources Committee

5.6.2. Details of emergency payments made will be reported retrospectively to the Council

#### **5.7. Transparency**

To provide transparency in its stewardship of public funds the Council makes information available to the public in relation to its spending, regardless of value. Monthly payment transactions made via purchase card, employee expenses and accounts payable are available to download via the Council's website.

## **6. External Arrangements**

### **6.1. Collaborative working**

The term “collaborative working” covers a wide array of joint working arrangements. For the purposes of this section, the term “collaborative working” means working with one or more third parties collectively to achieve a shared objective. The Council's contribution to collaborative working may be capital, revenue or contributions in kind such as staff time.

Any collaboration which involves the creation of or participation in a separate legal entity (Alternative Service Delivery Vehicle (ASDV)), such as a limited company, trust or charity, must be set up and approved in accordance with these Financial Regulations and the governance arrangements as set out in Part 5, Section 8 of the Constitution (Governance of Council Interest in Companies).

#### **6.1.1. Alternative Service Delivery Vehicles (ASDVs)**

- 6.1.1.1.** Any proposal to commission services via an alternative delivery model must be developed through the Council's business case governance framework, to ensure that there is a robust planning and decision-making process in place.
- 6.1.1.2.** Chief Officers are responsible for ensuring that the Council's governance framework is followed through all stages of the business case development and decision-making process, and that specialist advice is sought from relevant key stakeholders across the Council, at each stage in the development of the business case. Key stakeholders will include:
  - Finance
  - Legal and Assurance (including Monitoring Officer)
  - Internal Audit and Risk
  - Merseyside Pension Fund, (if in respect of pension arrangements), and
  - any other Chief Officers having an interest or in a position to contribute.
- 6.1.1.3.** Chief Officers are also responsible for ensuring that Council approval is obtained before any contract negotiations and/or financial transactions

are entered into, and that all agreements and arrangements are properly documented, the content and format of which must be approved by the Monitoring Officer and/or Director of Finance.

- 6.1.1.4. Detailed guidance on the requirements and responsibilities in relation to ADV's is given in Part 5, Section 8 of the Constitution (Governance of Council Interest in Companies).

## 6.1.2. Partnerships

Partnerships include any arrangements where the Council agrees to undertake, part fund or participate in a project with other bodies; either as a beneficiary of the project, or because the nature or status of the project gives the Council a right or obligation to support it. It does not include situations where the Council is simply providing funding without assuming any obligation or risk relating to delivery of the project in which case the Contract Procedure Rules cover the arrangement.

- 6.1.2.1. Forming of partnerships - The approval of both the Director of Finance and the Monitoring Officer must be obtained prior to the Council entering into any formal partnership agreement. The approval of the Director of Finance must also be obtained where it is proposed that the Council adopts the role of 'Accountable Body' for a partnership.

A partnership agreement must be produced which ensures that:

- legal status and financial viability of the arrangement are clearly established and acceptable
- Council's financial commitment to the partnership is quantified and that this can be accommodated within the existing budget provision
- financial and corporate governance arrangements in place for the partnership are robust, and acceptable from the Council's perspective
- the Council is not exposed to undue financial, legal or reputation risk as a consequence of its involvement in the partnership
- Council's own financial accounting and reporting requirements can be satisfied
- the arrangements for dispute resolution and for exiting the arrangement are identified

In addition, a performance monitoring framework must be established to ensure that the objectives of the partnership are met.

The Policy and Resources Committee is responsible for approving delegations and frameworks for all partnerships. Partnerships must be approved by Council or the Strategic Leadership Team depending on the scale of the project and the local Scheme of Financial Delegation.

Chief Officers will ensure that:

- the approval of the Director of Finance officer and the Monitoring Officer is obtained prior to entering into a partnership agreement
- an appraisal is undertaken which demonstrates that the risks associated with the arrangement are minimal, or that appropriate arrangements are in place to mitigate any such risks
- the partnership agreement and arrangements will not impact adversely upon the services provided by the Council or upon its finances
- the proposed financial contribution by the Council to the partnership can be met from existing budget provision
- Council approval is secured for all delegations and frameworks for the proposed partnership.

6.1.2.2. Delegation of budget to a partnership - the delegation of budget to a partnership (whether the arrangement is binding on the parties or not), where money is normally spent in accordance with the wishes of a group of individuals or organisations, is subject to approval as follows:

- less than £100,000 – Chief Officer
- £100,000 and above but no more than £1m – Relevant Committee (in consultation with Director of Finance)
- more than £1m – Policy and Resources Committee

6.1.2.3. Financial Administration - where the Council is the 'accountable body' for the Partnership these Financial Regulations, Contract Procedure Rules and all other relevant policies and procedures will apply.

## **6.2. Bidding for Grant Funding**

6.2.1. All grant bids are subject to the requirements of the Revenue and Capital Grants Central Repository and Approval Process and any additional requirements in local Schemes of Financial Delegation.

6.2.2. All grant bids must be approved as set out in 6.2.3 before commencing any spend.

6.2.3. Grant approvals must be sought as follows:

- Revenue Grants less than £100,000 – Chief Officer/DMT of the Service's Management Team in accordance with the Financial regulations. The Change Advisory Board (CAB) will be notified to allow for oversight and comment.
- Revenue Grants £100,00 and over – Change Advisory Board (CAB)
- Capital Grants – Investment Change Board (ICB) overseas all Capital Grant bids regardless of value

6.2.4. The receipt of grant income and related expenditure is subject to these Financial regulations and Contract Procedure Rules.

### **6.3. Support to other organisations**

6.3.1. Grants, donations and contributions may be made in accordance with these Financial Regulations subject to there being adequate provision in service budgets and the appropriate approvals being sought.

6.3.2. Loans to third parties - loans may be provided by the Council to third parties in line with the following circumstances and approval limits:

6.3.2.1. Monies invested with banks and other financial institutions – to be undertaken in line with the Treasury Management Strategy

6.3.2.2. Loans to third parties for the purpose of financing expenditure which, if incurred by the Council, would constitute capital expenditure – to be undertaken in line with the Capital Programme approval process

6.3.2.3. Loans to third parties for other purposes (e.g. where a service is delivered by an ASDV and the provider seeks an up-front payment to support cash flows):

- Less than £50,000 - Chief Officer (in consultation with the Director of Finance)
- £50,000 or more but less than £100,000 – relevant Committee (in consultation with the Director of Finance)
- £100,000 and above – Policy and Resources Committee



## 7. Financial limits

Whilst financial limits may have been referred to in the relevant sections of these Financial Regulations, all approval limits have been brought together in this section for ease of reference.

### 7.1. Revenue budget virements

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £100,000	Chief Officer in consultation with the Budget Holder	Part 4, Section 3 Budget and Policy Framework (paragraph 6)
In excess of £100,000 but no more than £500,000 (cumulatively up to £1,000,000 over the financial year) provided that there is no virement of revenue budget between 'Directorates' (Budget Heads)	Relevant Committee in consultation with the Chief Officer	
In excess of £500,000	Policy and Resources Committee	

### 7.2. Capital expenditure

De-minimis	Constitution
Capital expenditure will be charged to revenue on the grounds of materiality if it is less than £10,000	Part 4, Section 5 Financial Regulations (paragraph 3.3)

### 7.3. Settling insurance claims

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £20,000	Senior Liability Claims Officer	Part 4, Section 5 Financial Regulations (paragraph 4.4.3)
In excess of £20,000 but no more than £150,000	Assistant Director Finance and Investment	

In excess of £150,000 but no more £1.5m	Director of Finance (in consultation with Insurance Manager)	
In excess of £1.5m	Audit and Risk Management Committee	

#### 7.4. Land and property transactions

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £500,000	Senior Manager for Asset Management	Part 4, Section 5 Financial Regulations (paragraph 4.5.4)
In excess of £500,000	Policy and Resources Committee	

#### 7.5. Disposal of assets

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £10,000	Head of Service (in consultation with the Director of Finance)	Part 4, Section 5 Financial Regulations (paragraph 4.5.8)
In excess of £10,000 but no more than £50,000	Chief Officer (in consultation with the Director of Finance)	
In excess of £50,000 but no more than £100,000	Relevant Committee (in consultation with the Director of Finance)	
In excess of £100,000	Policy and Resources Committee	

#### 7.6. Write-offs

Delegations	Responsible Officer(s) and/or Committee	Constitution
<b>Inventory:</b>		
Up to and including £10,000	Budget Holder (in consultation with the Director of Finance)	Part 4, Section 5 Financial Regulations (paragraph 4.5.8.1)
In excess of £10,000 but no more than £50,000	Chief Officer (in consultation with the Director of Finance)	
More than £50,000	Policy and Resources Committee	
<b>Bad Debts:</b>		
Up to and including £10,000	Budget Holder (in consultation with the Director of Finance)	Part 4, Section 5 Financial Regulations (paragraph 5.2.4.2)
More than £10,000	Policy and Resources Committee	

## 7.7. Purchasing

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £100,000	Budget Holder	Part 3, Section C Scheme of Financial Delegation of Authority to Officers (paragraph 2(a)) and Part 4, Section 5 Financial Regulations (paragraph 5.3.4)
In excess of £100,000 but no more than £250,000	Chief Officer	
In excess of £250,000 but no more than £1.5m	Chief Officer (in consultation with the Director of Finance)	
More than £1.5m	Relevant Committee	

## 7.8. Emergency Payments

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £250,000	Chief Officer	Part 4, Section 5 Financial Regulations (paragraph 5.6.1)
In excess of £250,000 but no more than £1m	Chief Executive or Director of Finance	
More than £1m	Policy and Resources Committee	

## 7.9. Delegation of budget to a partnership

Delegations	Responsible Officer(s) and/or Committee	Constitution
Less than £100,000	Chief Officer	Part 4, Section 5 Financial Regulations (paragraph 6.1.2.2)
£100,000 and above but no more than £1m	Relevant Committee (in consultation with Director of Finance)	
More than £1m	Policy and Resources Committee	

### 7.10. Grant funding bids

<b>Delegations</b>	<b>Responsible Officer(s) and/or Committee</b>	<b>Constitution</b>
<b>Revenue:</b>		
Less than £100,000	Chief Officer/DMT of the Service's Management Team	Part 4, Section 5 Financial Regulations (paragraph 6.2.3)
£100,000 and above	Change Advisory Board (CAB)	
<b>Capital:</b>		
All bids – no minimum	Investment Change Board (ICB)	Part 4, Section 5 Financial Regulations (paragraph 6.2.3)

### 7.11. Loans to third parties

<b>Delegations</b>	<b>Responsible Officer(s) and/or Committee</b>	<b>Constitution</b>
Less than £50,000	Chief Officer (in consultation with the Director of Finance)	Part 4, Section 5 Financial Regulations (paragraph 6.3.2.3)
£50,000 or more but less than £100,000	Relevant Committee (in consultation with the Director of Finance)	
£100,000 and above	Policy and Resources Committee	