

FINANCIAL REGULATIONS

Status of Financial Regulations

Financial Regulations are a part of the County Council's constitution and provide the framework for managing the Council's financial affairs. They apply to every Member and officer of the Council and anyone acting on its behalf. Failure to comply with Financial Regulations may result in disciplinary action. Schools are required to have a set of Financial Regulations to identify the principles of financial control, enable governors to exercise their responsibility for making arrangements of the proper management of schools' finances and to ensure the highest standards are achieved in the stewardship of public funds.

The regulations identify the financial responsibilities of the full Council, Cabinet, Corporate Governance Committee, Scrutiny Committee Members, the Chief Executive, the Monitoring Officer (Head of Legal and Democratic Services), the Chief Finance Officer, (Head of Finance) and other Chief Officers (Directors and Heads of Service).

Cabinet Members and Chief Officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to the Chief Officer in the regulations should be read as referring to them.

All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets and resources under their control, and for ensuring that the use of these resources is legal, properly authorised and provides value for money.

The Chief Finance Officer is responsible for maintaining Financial Regulations and submitting any additions or changes necessary to the Full Council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of Financial Regulations to the Council and/or to Cabinet members.

Breaches will be investigated. Any breach of Financial Regulations may give rise to formal disciplinary action or action under competency procedures.

Chief Officers are responsible for ensuring that all staff in their services are aware of the existence and content of the Council's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that staff are able to access them via electronic or other means.

Reference to the Chief Finance Officer and other Chief Officers are subject to arrangements for deputising and departmental schemes of delegation. Heads of Service must ensure that there is an effective scheme of delegation within their departments.

The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow.

The Financial Regulations contain references to the statutory definitions and other standard terminology in relation to key posts.

A glossary of these is shown below:

Statutory Definition	Equivalent Post in Denbighshire
Chief Finance Officer or Section 151 Officer	Head of Finance
Monitoring Officer	Head of Legal, HR & Democratic Services
Chief Officer	Corporate Directors and Heads of Service
Chief Audit Executive	Head of Internal Audit

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1. FINANCIAL MANAGEMENT & ADMINISTRATION

Purpose

All staff, Members and anybody acting on behalf of the Council have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

- 1.1 The Cabinet is responsible for making recommendations to the Council on the allocation of the resources of the Council and for controlling the available financial resources through the preparation of the annual budget.
- 1.2 The Chief Finance Officer shall, for the purposes of Section 151 of the Local Government Act 1972, be responsible for the administration of the Council's financial affairs, and the supervision of all aspects of financial management undertaken by all departments of the Council.
- 1.3 The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:
 - a. Section 151 of the Local Government Act 1972
 - b. The Local Government Finance Act 1988
 - c. The Local Government and Housing Act 1989
 - d. The Accounts and Audit Regulations 2005
 - e. The Local Government Act 2003
- 1.4 The Chief Finance Officer is responsible for:
 - a. the proper administration of the Council's financial affairs;
 - b. setting and monitoring compliance with financial management standards;
 - c. reporting on the robustness of estimates and adequacy of financial and controlled reserves for the purposes of making budgetary calculations.
- 1.5 Sections 114 and 114A of the Local Government Finance Act 1988 require the Chief Finance Officer to report to the full Council, Cabinet and external auditor if the Council or one of its officers:

- a. has made, or is about to make, a decision which involves incurring unlawful expenditure;
 - b. has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;
 - c. is about to make an unlawful entry in the Council's accounts.
- 1.6 Any such report is to be sent to all members of the Council and the external auditor. Once a report is made, the Council (or Cabinet regarding executive functions) is required to hold a meeting within 21 days to consider it.
- 1.7 Section 114A of the 1988 Act also requires:
 - a. the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally;
 - b. the authority to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114A and Section 151 of the Local Government Finance Act.
- 1.8 The Chief Finance Officer, as financial adviser to the Council, shall each year prepare a report to the Cabinet regarding the level of resources proposed for utilisation in each financial year, and shall keep Cabinet informed with respect to the Council's finances and financial performance.
- 1.9 From April 2016, the Wellbeing of Future Generations Act comes into force. This puts into law the requirement of public bodies to consider the long-term impact of decisions, alongside current requirements and needs. Financial planning and decision making should ensure that proper regard is given to the requirements of the Act and in particular, proper consideration of the long term impact of financial decisions, including the payback period and whole life costs of investment decisions, properly impact assessed budget proposals and long term debt and investment (treasury management) strategies. The principles of prudence, affordability and sustainability should underpin financial planning and decision making.
- 1.10 The Chief Finance Officer is responsible for recommending such changes to Financial Regulations to the full Council as he considers necessary and desirable for the proper administration of the finances of the County Council.

- 1.11 The Corporate Governance Committee shall be responsible to the Council for monitoring that appropriate control systems are in place to ensure the proper observance of the Council's Financial Regulations.
- 1.12 Every Chief Officer of the Council shall consult with, and obtain the agreement of, the Chief Finance Officer if there should exist any doubt whatsoever whether an item of expenditure may be lawful. Chief Officers shall also inform the Chief Finance Officer if there should exist any doubt whatsoever whether an item of expenditure may result in expenditure exceeding the available budget.
- 1.13 All staff and elected Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls in place to ensure that these standards are met.
- 1.14 Chief Officers shall be required to bring the Council's Financial Regulations to the attention of all staff within their department. Any employees who fail to observe Financial Regulations may be subject to disciplinary action.
- 1.15 Each Chief Officer is responsible for the accountability and control of their staff and the security, custody and control of all other resources relating to his/her department.
- 1.16 No officer may make a financial provision or financial commitment unless there is funding in place to support the expenditure.
- 1.17 Chief Officers must satisfy the Chief Finance Officer that every proposal to incur expenditure to be submitted to any committee affecting the Council's finances is:
 - a. Lawful.
 - b. Can be met from within the existing budget allocations of the Department concerned or it is proposed within the report how the expenditure would be funded.
- 1.18 Every report to committee thereon shall contain confirmation that such consultation has taken place and that the Chief Finance Officer is satisfied that the report contains a clear statement of the financial impact and how this will be funded (if appropriate). This consultation will be reported in a statement from the Chief Finance Officer.
- 1.19 Each financial year, or as often as the Cabinet may require, every Chief Officer shall prepare, in consultation with the Chief Finance Officer and within the agreed strategy, estimates of income and expenditure of a

revenue and capital nature.

- 1.20 It is the responsibility of Chief Officers to ensure that budget estimates reflecting agreed service plans are submitted to the Members of the Cabinet and that these estimates are prepared within the overall reporting framework determined by the Chief Finance Officer.
- 1.21 Chief Officers shall ensure that appropriate and adequate supporting information is provided, including any reasons for increased or decreased estimated income or expenditure.

2. ACCOUNTING POLICIES

Purpose

Appropriate accounting policies must be in place to allow for the preparation of the Council's statement of accounts, in accordance with proper practices.

General

- 2.1 The Chief Finance Officer is responsible for selecting accounting policies and ensuring that they are lawful and applied consistently. All accounting procedures and records of the Council and its officers shall therefore be in a form approved by the Chief Finance Officer.

Regulations

- 2.2 Systems of internal control must be in place to ensure that financial transactions are lawful.
- 2.3 Proper accounting records must be maintained.
- 2.4 Financial statements must be prepared which present fairly the financial position of the Council and its expenditure and income.

Responsibilities

- 2.5 The Chief Finance Officer should ensure that the accounting policies are set out in the annual statement of accounts that is prepared at 31 March each year.

3. ACCOUNTING RECORDS & PROCEDURES

Purpose

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency, effectiveness and quality in the use of the Council's resources.

General

3.1 The Chief Finance Officer will determine the accounting procedures and records for the Council and arrange for the compilation of all accounts and accounting records under his or her direction.

Accounting Records

Regulations

3.2 The duties of providing information about sums due to or from the Council and calculating, checking and recording these sums will be separated from the duty of collecting or disbursing them.

3.3 Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

Responsibilities

3.4 The Chief Finance Officer will make proper arrangements for the audit of the Council's accounts and ensure that all claims for funds including grants are made by the due date.

3.5 The Chief Finance Officer will prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Corporate Governance Committee to approve the statement of accounts by the statutory deadline.

3.6 The annual statement of account shall be produced in accordance with proper practices. The Council is required to prepare an Annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2005. The Regulations require that the Accounts be prepared in accordance with proper accounting practices. These practices primarily comprise 'Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA) supported by International Financial Reporting Standards (IFRS).

Accounting Procedures

Regulations

- 3.7 Cabinet members, finance staff and budget managers should operate within the required accounting standards and timetables.
- 3.8 All of the Council's transactions, material commitments and contracts and other essential accounting information should be recorded completely, accurately and on a timely basis.
- 3.9 Procedures should be in place to enable accounting records to be reconstituted in the event of systems failure.
- 3.10 Reconciliation procedures should be carried out to ensure transactions are correctly recorded.
- 3.11 Prime documents should be retained in accordance with legislative and other requirements. For most financial records this will be 6 years plus the current year though records supporting some external grants may need to be retained for a longer period.

4 FINANCIAL PLANNING

BUDGETING PREPARATION

Purpose

To set a framework for the consideration and approval of the Revenue Budget and Capital Programmes The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the full Council. Budgets (spending plans) are needed so that the Cabinet can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.

Regulations

The Cabinet will determine the strategy, guidelines and processes relating to both the Revenue Budget and the Capital Programme upon advice from the Chief Finance Officer.

The Chief Finance Officer will ensure that a programme of capital expenditure and estimates of revenue income and expenditure is submitted to the Cabinet and full Council in such form and by such date(s) as required.

In line with the Budget & Policy Framework Procedure Rules, the Cabinet, shall consider budget proposals before recommending the budget to the full Council, including a recommendation of the Council Tax Rate for the ensuing financial year.

At least three days before the meeting of the Council at which such matters will be considered, each Member shall be provided with a report containing a copy of the proposed programme of capital expenditure and estimates of income and expenditure on the revenue account.

Nothing in this regulation precludes consideration of additional expenditure if further resources become available during the year.

The Chief Finance Officer is responsible for ensuring that a Revenue Budget and Capital Programme is prepared on an annual basis and a medium term financial plan on a three-yearly basis for consideration by the Cabinet, before submission to the full Council. The full Council may amend the budget or ask the Cabinet to reconsider it before approving it.

The Chief Finance Officer is responsible for issuing guidance and a summary of the general content of the budget as soon as possible following approval by the full Council.

It is the responsibility of Chief Officers to ensure that budget estimates, reflecting agreed service plans, are submitted to the Cabinet and that these estimates are prepared in line with guidance issued by the Cabinet and comply with Section 4.3 Budget & Policy Framework Procedure Rules of the Constitution.

The Medium Term Financial Plan (MTFP) brings together the key assumptions around financial resources (including Council Tax) 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 setting of financial targets within the available resource envelope will be completed with reference to the priorities set within the Corporate Plan. The Chief Finance Officer will ensure that reports to Cabinet and Council are made, as appropriate, upon the medium term budget prospects.

5. BUDGET MONITORING & CONTROL

Purpose

Budget management ensures that once the full Council has approved the budget, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual budget limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.

For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre; however, budgetary control may take place at a more detailed level if this is required by the Chief Officer's scheme of delegation.

General

- 5.1 The approval of the revenue budget or capital programme by the Council shall constitute authority to incur such expenditure, save to the extent to which the Council shall have placed a reservation on such budget or programme.
- 5.2 However, nothing in these Financial Regulations shall prevent Cabinet from incurring expenditure which is urgent or essential to meet any immediate needs created by a sudden emergency, or which is referable to Section 138 of the Local Government Act, 1972.
- 5.3 It shall be the duty of Cabinet to keep under review the financial performance of each service and the council as a whole during the budget period.
- 5.4 The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be set and monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis.

- 5.5 It is the responsibility of Chief Officers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer. They should report on variances within their own areas to the Chief Finance Officer and then to Cabinet. They should also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

Regulations

- 5.5 Budget managers should be responsible only for income and expenditure that they can influence and control.
- 5.6 There must be a nominated budget manager for each cost centre heading.
- 5.7 Budget managers should accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
- 5.8 Budget managers should follow an approved certification process for all expenditure.
- 5.9 Income and expenditure must be properly recorded and accounted for.
- 5.10 Performance levels/levels of service should be monitored in conjunction with the budget and necessary action should be taken to align service outputs and budget.

Responsibilities

- 5.11 The Chief Finance Officer will establish an appropriate framework of budgetary management and control that ensures that:
- a. budget management is exercised within annual budget limits unless the full council agrees otherwise;
 - b. each Chief Officer has available timely, relevant and accurate information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
 - c. expenditure is committed only against an approved budget head;
 - d. all officers responsible for committing expenditure comply with relevant guidance, and these financial regulations;

- e. each cost centre has a single named manager, determined by the relevant Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure;
 - f. significant variances from approved budgets are investigated and reported by budget managers.
- 5.12 Chief Officers should ensure that both revenue and capital spending remains within the service's overall budget limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast. Pressures arising on budgets should initially be contained within the overall service budget. Chief Officers should consult with the Chief Finance Officer upon the systems and methods they adopt to ensure such control.
- 5.13 Where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control, the Chief Finance Officer will submit reports to the Cabinet, in consultation with the relevant Chief Officer.
- 5.14 Prior approval by Cabinet must be given for new proposals , that:
- a. create significant additional financial commitments;
 - b. change existing policies, initiate new policies or cease existing policies;
 - c. change the timescale of an existing policy;
 - d. materially extend or reduce the Council's services.
- 5.15 A report on new proposals should explain the full financial implications, following consultation with the Chief Finance Officer. Unless the full Council or Cabinet has agreed otherwise, Chief Officers must plan to contain the financial implications of such proposals within their budget limit.

6. VIREMENT

Purpose

The scheme of virement is intended to enable Chief Officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council, and therefore to optimise the use of resources.

Responsibilities

- 6.1 The Cabinet is responsible for agreeing the procedures for virement of expenditure between cost centres.
- 6.2 The Chief Finance Officer is responsible for proposing and administering the scheme of virement.

Regulations

- 6.3 The transfer of budget is not a virement if the budget continues to be used for the same purpose. Virement can only be approved if:
- the proposed expenditure is not contrary to Council policy;
 - it is not contrary to approved Service Business Plans;
 - the future revenue burden on the service is not materially increased.
- 6.4 Budget virement up to £500k within services, is at the discretion of the Head of Service or equivalent, with approval of the Chief Finance Officer, providing the three conditions above are met. All other virement should follow the process set out in the following table.

Amount	Approval Process Within Services	Approval Between Services
Up to £250k	Head of Service	Heads of Service Chief Finance Officer
Between £251k-£500k	Head of Service Chief Finance Officer	Heads of Service Chief Finance Officer Corporate Executive Team
Above £500k	Head of Service Chief Finance Officer	Cabinet

7. RESERVES, PROVISIONS & BALANCES

Purpose

The local authority must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items. Reserves are treated differently from balances that may accrue during the year from unexpected activity or deviation from planned income or expenditure.

Responsibilities

- 7.1 It is the responsibility of the Chief Finance Officer to advise the Cabinet and/or the full Council on prudent levels of reserves for the authority.

Regulations

- 7.2 Reserves should be maintained in accordance with proper accounting practice and agreed accounting policies.
- 7.3 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 7.4 The use of reserves as defined in 7.3 will require the approval of the Chief Finance Officer and be reported to cabinet.
- 7.5 Reserves may only be used for the purposes for which they were intended. Any deviation from this or re-allocation of reserves will require the approval of the Cabinet
- 7.6 Balances that may accrue during the year because of underspends on approved budgets will be subject to Financial Regulation 6 (Virement & Year End Balances).
- 7.7 During the year, new reserves may only be established and contributions to service reserves can only be made following the approval of Cabinet. At year-end, the Chief Financial Officer will make recommendations to Cabinet on the treatment of any balances arising after the end of the financial year.
- 7.8 Where the Chief Finance Officer deems it appropriate, recommendations will be made to cabinet to make a financial provision for future known events.

- 7.9 The Chief Finance Officer will periodically review reserves and provisions and make recommendations to Cabinet where it is appropriate to reallocate funds. This may include supporting the annual budget process.

TREATMENT OF YEAR-END BALANCES

Responsibilities

- 7.10 Upon recommendation by the Chief Finance Officer and the approval of Cabinet, any overspending on service estimates in total on budgets under the control of the Chief Officer could be carried forward to the following year, and will constitute the first call on service estimates in the following year.
- 7.11 Net underspendings on services may be carried forward, subject to recommendation by the Chief Finance Officer and approval of Cabinet.
- 7.12 All internal business unit surpluses shall be retained for the benefit of the Council and their application shall require the approval of the Cabinet.
- 7.13 Schools' balances shall be available for carry-forward to support the expenditure of the school concerned. Where an unplanned deficit occurs, the governing body shall prepare a detailed financial recovery plan for consideration by the Cabinet member concerned, following evaluation by the chief education officer and the Chief Finance Officer. A school's governing body will normally be expected to agree a plan with the Cabinet member concerned to recover the deficit within a defined period.
- 7.14 The Denbighshire Scheme for Financing Schools prohibits schools from planning for a deficit when preparing their annual budget plans. In support of the Authority's monitoring and intervention role the scheme requires schools:
- a. to return a draft 3 year budget to the LA and if applicable, submit notification that they are unable to set a balanced budget by the 1st April each year;
 - b. to gain approval, where applicable, for a planned deficit, by the 1st May of each year including submission of the proposed recovery plan intended to support the reduction/removal of that deficit. Any unplanned deficits that occur within the financial year due to unforeseen circumstances must be reported as soon as they become known to the school. Approval to carry forward that deficit to the new financial year must be sought;

- c. to submit a final Governor approved budget (surplus or deficit) by the 31st May each year to include a financial recovery plan for those schools who have been granted a licensed deficit;
 - d. Schools should only apply for a licensed deficit in circumstances where they cannot set a balanced budget without seriously impacting on educational provision;
 - e. Denbighshire County Council has no power to write off the deficit balance of any school and all deficits will remain a liability of the Governing Body until paid back. This applies in all circumstances including during school re-organisation;
 - f. Schools must, where possible, avoid the need to apply for a licensed deficit by robustly managing their 3 year budget planning process and being proactive in responding to changes early enough to allow mitigating actions to be implemented;
 - g. where it is found that deficits have occurred as a result of financial mismanagement at a school level then Denbighshire County Council will consider the merits of enforcing its powers under S51 of the Schools Standards and Framework Act to remove financial delegation from the school;
- 7.15 The Chief Finance Officer will administer the scheme of carry-forward balances within the procedures approved by the Cabinet and will report all overspendings and underspendings on all service estimates carried forward to the Cabinet.

8. CAPITAL PROGRAMME & EXPENDITURE

Purpose

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, computer programs 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.. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources. The longterm impact and sustainability of capital investment decisions should be considered as part of the council's obligations under the Wellbeing of Future Generations Act.

General

- 8.1 The Chief Finance Officer is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by Cabinet before submission to the full Council. This process shall be in line with Section 4.3 of the Constitution (Budget & Policy Framework Procedure Rules).
- 8.2 The definition of 'capital' will be determined by the Chief Finance Officer, having regard to government regulations and accounting requirements.
- 8.3 No expenditure shall be incurred on any capital project in the current financial year unless provision exists in the approved capital programme.
- 8.4 The Capital Plan will be agreed by Council and updated regularly. Projects funded from the Block Allocations within the Capital Plan may be approved by Cabinet. Any significant variation to the approved expenditure, the approved outputs of the project or the timescale must be reported to Cabinet and/or Council to approve the changes.

Regulations

- 8.5 There must be specific approval by the full Council for the annual programme of capital expenditure.
- 8.6 All expenditure on capital schemes is subject to the approval of the Chief Finance Officer.

- 8.7 All bids for capital expenditure must, in addition to the requirements of these Financial Regulations, have been considered by the Strategic Investment Group.
- 8.8 A business case should be prepared for each capital project and be submitted to the Strategic Investment Group for review before approval by the Cabinet or Council. Business cases should outline estimates of all capital costs, financing requirements, revenue implications and comment on the long-term sustainability of the proposal.
- 8.9 Approval of the Chief Finance Officer is required where capital schemes are to be financed from the revenue budget.
- 8.10 Proposals for improvements and alterations to buildings must be approved by the appropriate Chief Officer in consultation with the Corporate Property Unit.
- 8.11 An asset management plan should be in place for each service, to underpin the corporate asset management plan.
- 8.12 Accountability for each capital project must be formally accepted by a named manager who will be responsible for the management of the budget. The relevant Chief Officer will appoint the responsible officer.
- 8.13 Capital projects may only proceed when there is adequate provision in the capital programme.
- 8.14 Adequate records must be maintained for all capital contracts.
- 8.15 Capital projects should be continually monitored by the responsible officer (8.13) to assess progress, in conjunction with expenditure and comparison with approved budget. The responsible officer should immediately inform the Chief Finance Officer if a capital project is likely to exceed the approved budget.

Responsibilities

- 8.16 The Chief Finance Officer will prepare capital estimates jointly with Chief Officers and report them to the Cabinet for approval. Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the full Council.

- 8.17 The Chief Finance Officer will prepare and submit regular reports to the Cabinet on the performance of the capital programme and will report annually to the full council.
- 8.18 Cabinet authorisation is required for individual schemes where the estimated expenditure exceeds the capital programme provision, unless the estimated expenditure cannot be contained within the overall capital plan, in which case Council approval will also be required.

Responsibilities of Chief Officers

- 8.19 To ensure that all schemes follow the proper approval procedures.
- 8.20 To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer.
- 8.21 To seek the approval of the Lead Member and Chief Finance Officer for any bid for additional capital funding to support expenditure that has not been included in the current year's capital programme.

9. INSURANCE

Purpose

The Council must have adequate insurance to control identified risks. This regulation clarifies roles and responsibilities and separates the duty of making claims and arranging claims.

Responsibilities

- 9.1 The Chief Finance Officer shall arrange all required insurance cover and negotiate all claims in consultation with other officers where necessary.
- 9.2 The Chief Finance Officer shall ensure that all appropriate employees of the Council are included in a suitable fidelity guarantee insurance policy and any other appropriate insurance policy.
- 9.3 The Chief Finance Officer shall operate and administer an internal insurance fund to meet losses on claims and such risks deemed appropriate.
- 9.4 Chief Officers shall give prompt notification to the Chief Finance Officer of all new risks, properties or vehicles that are to be insured and of any alterations affecting existing insurances.
- 9.5 Chief Officers shall notify the Chief Finance Officer immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Chief Finance Officer or the Council's insurers. The Chief Finance Officer should inform the police if appropriate.
- 9.6 The Chief Finance Officer shall annually, or at such period as he may consider necessary, review all insurances in consultation with other Chief Officers as appropriate.
- 9.7 Chief Officers shall consult the Chief Finance Officer regarding the terms of any indemnity that the Council is requested to give.

10. INTERNAL CONTROL & RISK MANAGEMENT

Purpose

As a complex organisation the Council needs to have a robust framework of internal controls within its procedures and processes. Internal controls have many purposes, including helping the Council to:

- *achieve its corporate & service priorities*
- *comply with laws, regulations & statutory requirements*
- *provide assurance on governance of the Council's affairs*
- *manage its risk effectively*
- *manage its financial administration*

However, the system of internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

Regulations

- 10.1 Key controls should be reviewed on a regular basis and the Council should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively. This can be delivered through the Annual Governance Statement.
- 10.2 Managerial control systems must be in place, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- 10.3 Financial and operational control systems and procedures must be in place, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- 10.4 There must be an effective and properly resourced internal audit function. It should operate in accordance with the the Public Sector Internal Audit Standards and with any other statutory obligations and regulations
- 10.5 The Corporate Governance Committee is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management

- 10.6 Procedures must be in place to identify, assess, prevent or contain material known risks, and ensure that these procedures are operating effectively throughout the Council.
- 10.7 Monitoring process should be in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
- 10.8 Managers should know that they are responsible for managing relevant risks and be provided with relevant information on risk management initiatives.

Responsibilities

- 10.9 The Chief Finance Officer will assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- 10.10 The Chief Finance Officer is responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- 10.11 Chief Officers should manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

11. AUDIT REQUIREMENTS

Internal Audit

PURPOSE

The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that local authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations require that an effective system of internal audit of accounting records and control systems is maintained.

Accordingly, internal audit is an independent team that provides assurance and advice to all levels of management and elected members on the quality of operations within the Council. It particularly focuses on governance, risk management, performance, efficiency and operational and financial control.

General

11.1 In accordance with the accounts and audit regulations approved by the Welsh Assembly Government from time to time, a continuous internal audit, under the independent control and direction of the Chief Audit Executive (, shall be arranged to carry out an examination of accounting, financial and other operations of the Council.

11.2 The Chief Finance Officer and Chief Audit Executive have the authority to:

- a. access Council premises at reasonable times;
- b. access all assets, records, documents, correspondence and systems;
- c. receive any information and explanation considered necessary concerning any matter under consideration;
- d. require any employee of the Council to account for cash or any other Council asset under his or her control;
- e. access records belonging to third parties, such as contractors, when required.

11.3. The Chief Audit Executive has authority to directly access the Chief Executive, Council, Cabinet and the Corporate Governance Committee about any appropriate issue.

Regulations

- 11.4 Internal audit must be independent in its planning and operation and internal auditors must be objective and effective in performing their work.
- 11.5 The Chief Audit Executive must have direct access to the Chief Executive, all levels of management and elected Members.
- 11.6 Internal auditors must comply with the Public Sector Internal Audit Standards & Code of Ethics.

Responsibilities

- 11.7 The Corporate Governance Committee approves the strategic audit plans prepared by the Chief Audit Executive, which are developed on a risk-based approach that allows the Chief Audit Executive to form and evidence his opinion on the control environment to support the Council's Annual Governance Statement.
- 11.8 The Chief Finance Officer should ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of Chief Officers

- 11.9 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
- 11.10 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- 11.11 To consider and respond promptly to recommendations in audit reports.
- 11.12 To ensure that any agreed actions arising from audit recommendations are carried within agreed timescales.
- 11.13 To notify the Chief Audit Executive and Chief Finance Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Chief Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 11.14 To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Chief Finance Officer and Chief Audit Executive prior to implementation.
- 11.15 The Chief Audit Executive shall provide an annual report giving an opinion on the Council's system of internal control.

12. PREVENTING FRAUD AND CORRUPTION

Purpose

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought of or actions involving fraud and corruption.

Regulations

- 12.1 The Council should have an effective anti-fraud and anti-corruption policy and maintain a culture that will not tolerate fraud or corruption.
- 12.2 Chief Officers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt.
- 12.3 A register of interests should be maintained in which any hospitality or gifts accepted must be recorded.
- 12.4 All staff or elected Members should report any declaration of interest to the Monitoring Officer who will maintain a register of interests.
- 12.5 Whistle blowing procedures should be in place and operating effectively.
- 12.6 Legislation including the Public Interest Disclosure Act 1998 should be adhered to.

Responsibilities of the Chief Finance Officer

- a. to develop and maintain an anti-fraud and anti-corruption policy and related policies, such as Money Laundering in conjunction with the Monitoring Officer;
- b. to maintain adequate and effective internal control arrangements;
- c. to ensure that all suspected irregularities are reported to the Chief Audit Executive, the Chief Executive, the Cabinet and the Corporate Governance Committee.

Responsibilities of Chief Officers

- a. to ensure that all suspected irregularities are reported to the Chief Finance Officer and Chief Audit Executive;
- b. to instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour;
- c. to ensure that where financial impropriety is discovered, the Chief Audit Executive is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in;
- d. to ensure that all staff are aware of the requirement to report any declaration of interest to the Monitoring Officer who will maintain a register of interests.

14. ASSETS

Security of Assets

Purpose

The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

General

14.1 Chief Officers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Regulations

14.2 The regulations below have been established for the security and use of assets such as land, buildings, vehicles, fixed plant machinery, equipment, information and software and should be adhered to.

14.3 Resources should be used only for the purposes of the Council and be properly accounted for.

14.4 Resources should be available for use when required.

14.5 Resources no longer required should be disposed of in accordance with the law and the regulations of the Council so as to maximise benefits.

14.6 An asset register should be maintained and assets recorded when they are acquired by the Council and this record should be updated as changes occur with respect to the location, value and condition of an asset.

Responsibilities

14.7 The Chief Finance Officer will ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £30,000, except for land and buildings for which there is no de minimis level. The function of the asset register is to provide the Council with information about fixed assets so that they are:

- a. safeguarded;
 - b. used efficiently and effectively;
 - c. adequately maintained;
 - d. properly accounted for.
- 14.8 The Chief Finance Officer will ensure that assets are valued in accordance with the proper accounting practice
- 14.9 The Head of Legal and Democratic Services shall have custody of all title deeds under secure arrangements. The Corporate Property Unit will maintain a register of all properties owned by the Council, recording the responsible service department, purpose for which held, location area and plan, reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies, leases, licences granted and other dealings with the property.
- 14.10 The responsibilities of Chief Officers in respect of the security of assets are as follows:
- a. to inform the Chief Finance Officer of all properties, plant and machinery and moveable assets currently owned or used by the Council. Any use of property by a Department other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use;
 - b. to provide the Chief Finance Officer with the information required for the proper accounting and recording of assets;
 - c. to ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Head of Legal and Democratic Services in consultation with the Chief Finance Officer, has been established as appropriate;
 - d. to ensure the proper security of all buildings and other assets under their control;
 - e. to pass title deeds to the Head of Legal and Democratic Services who is responsible for custody of all title deeds;
 - f. to ensure that no asset is subject to personal use by an employee without proper authority;
 - g. to ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council;

- h. the Head of Finance may direct that separate inventories, in a form to be determined by him, are kept of any items not forming part of the Asset Register modules or subsidiary records;
- i. to make sure that property is only used in the course of the Council's business, unless the Chief Officer concerned has given permission otherwise;
- j. to consult the Chief Audit Executive in any case where security is thought to be defective or where it is considered that special security arrangements may be needed;
- k. to ensure that cash holdings on Council premises are kept to a minimum. If cash holdings are likely to exceed £500 the Chief Finance Officer should be consulted for instructions on safe custody;
- l. to ensure that keys to safes and similar receptacles are kept securely; loss of any such keys must be reported to the appropriate manager as soon as possible;
- m. to ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way;
- n. to ensure that all staff are aware of their responsibilities with regard to the Data Protection Act 1998, the Freedom of Information Act and the Council's Information Security Policy;
- o. to ensure that all staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Security Policy.

STOCKS AND STORES

Responsibilities

14.11 It is the responsibility of Chief Officers to make arrangements for the care and custody of stocks and stores in the Department and to ensure that stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

14.12 Stock control procedures must be approved by the Chief Finance Officer.

Regulations

14.13 A delivery note or similar record, authorised by the person receiving the goods, should be obtained in respect of every delivery of goods.

14.14 Goods that are clearly defective or not compliant with specification should not be accepted. Delivery notes or similar records shall be amended accordingly.

14.15 Issues of stores shall be supported by an authorised requisition and receipt.

14.16 Stocks shall not be in excess of normal requirements except in special circumstances and shall be with the approval of the Chief Officer.

14.17 The Chief Officer should investigate and remove from the Council's records (ie write-off) discrepancies as necessary, in consultation with the Chief Finance Officer. Material discrepancies should be reported to the Cabinet at the discretion of the Chief Finance Officer.

14.18 Redundant stocks and equipment should be sold or written-off. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless the Chief Finance Officer and Lead Member decide otherwise in a particular case.

14.19 Chief Officers shall arrange for and record periodical test examinations throughout the financial year of stocks by persons other than storekeepers and shall ensure that all stocks are checked and valued formally at the end of the financial year and the results passed to the Chief Finance Officer in the form of a stock certificate. The stock value will be included as part of the Council's published accounts.

Asset disposal

Purpose

It is uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations below.

Regulations

14.21 Assets should be disposed of at the most appropriate time, and only when it is in the best interests of the Council to do so. Best price should be obtained, bearing in mind other factors, such as environmental issues.

- 14.22 The disposal or part exchange of assets should normally be by competitive tender or public auction, unless, the Chief Finance Officer and the Asset Management Group agrees otherwise.
- 14.23 Disposal of land and buildings shall be undertaken in accordance with the delegations to the Asset Management Group as agreed by the Cabinet.
- 14.24 The Chief Finance Officer must be informed of any disposal to ensure that appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

Intellectual property

Intellectual property is a generic term that includes inventions, writing and programming. If an employee creates these during the course of employment then, as a general rule, they belong to the employer, not the employee. Chief Officers will ensure that their staff are not carrying out private work in Council time and that their staff are aware of the Council's rights with regard to intellectual property. Instances of where intellectual property may be, or has been, created should be referred to the relevant Chief Officer.

15. TREASURY MANAGEMENT

Purpose

Many millions of pounds pass through the authority's accounts each year. This has led to the establishment of codes of practice which aim to provide assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the authority's cash.

General

15.1 Code of Practice for Treasury Management in Public Services *and the Welsh Government's Investment Strategy Guidance.*

Regulations

15.2 All money in the hands of the Council is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the Code as the Chief Finance Officer.

15.3 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:

- a. A treasury management policy statement, stating the policies and objectives of its treasury management activities;
- b. A treasury management strategy statement and set of prudential indicators.

15.4 This organisation will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year (to full Council), and an annual report after its close, in the form prescribed in its TMPs (to Corporate Governance Committee).

15.5 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Corporate Governance Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Council's Treasury Management policy and if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

Responsibilities of the Chief Finance Officer (Treasury Management)

- a. to arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA *Code of Practice on Treasury Management* and the Council's treasury management policy statement and strategy;
- b. to report at least twice a year on treasury management activities to the Corporate Governance Committee;
- c. to report promptly to the Cabinet and Corporate Governance Committee in any exceptional circumstance where the provisions of the CIPFA *Code of Practice on Treasury Management* are not met.

Responsibilities of the Chief Finance Officer (Investments and Borrowing)

- a. to ensure that all investments of money are made in the name of the Council or in the name of nominees approved by the full council;
- b. to 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 the custody of the appropriate Chief Officer;
- c. to effect all borrowings in the name of the Council;
- d. to act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.

Responsibilities of Chief Officers (Investments and Borrowing)

- a. to ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Cabinet, following consultation with the Chief Finance Officer.

Responsibilities of Chief Officers (Trust Funds and Funds held for Third Parties)

- a. to arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides;
- b. to arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions;
- c. to ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

16. BANKING & IMPREST (PETTY CASH) ACCOUNTS

Purpose

The Council's banking arrangements must be regulated to ensure proper control and stewardship of all Council funds.

Regulations

- 16.1 All arrangements with the Council's bankers shall be made by, or under arrangements approved by the Chief Finance Officer who shall operate bank accounts as are considered necessary. Opening or closing any bank account shall require the approval of the Chief Finance Officer.
- 16.2 All cheques, etc. (excluding cheques drawn on authorised imprest accounts) shall be ordered only on the authority of the Chief Finance Officer who shall make proper arrangements for their safe custody.
- 16.3 The Chief Finance Officer or other specifically authorised officers shall sign cheques or approve payments on the Council's main bank accounts. The Chief Finance Officer is authorised to use cheque-signing machines and shall be responsible for ensuring appropriate security for such machines.

Imprest (Petty Cash) Accounts

General

- 16.4 It is the responsibility of the Chief Finance Officer to provide employees of the Council with cash or bank imprest accounts to meet minor expenditure (generally £100 or less or other items approved by the Chief Finance Officer) on behalf of the Council and to reimburse imprest holders as often as necessary to restore the imprest, but normally not more than monthly.
- 16.5 Such accounts shall be maintained on the imprest system and be subject to audit by the Chief Audit Executive.
- 16.6 The Chief Finance Officer must approve all imprest accounts, and imprest accounts should never be allowed to go overdrawn. No income received on behalf of the Council may be paid into an imprest account.

Responsibilities

16.7 Chief Officers are responsible for ensuring that employees operating an imprest account:

- a. obtain and retain vouchers (e.g. receipts) to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;
- b. make adequate arrangements for the safe custody of the account;
- c. produce upon demand by the Chief Finance Officer cash and all vouchers to the total value of the imprest amount;
- d. record transactions promptly and in full;
- e. request reimbursement to restore the imprest in sufficient time (it is recommended a claim is submitted when $\frac{3}{4}$ of the imprest has been used) to avoid the account going overdrawn;
- f. reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;
- g. provide the Chief Finance Officer with a certificate of the value of the account held at 31 March each year;
- h. ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made;
- i. on leaving the Council's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Chief Finance Officer for the amount advanced to him or her.

17. FINANCIAL SYSTEMS & PROCEDURES

Purpose

Departments have many systems and procedures relating to the control of the authority's assets, including purchasing, costing and management systems. Departments are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

Responsibilities

- 17.1 The Chief Finance Officer has a professional responsibility to ensure that the Council's financial systems are sound and should therefore be notified of any new developments or changes.
- 17.2 The Chief Finance Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by Chief Officers to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer. However, Chief Officers are responsible for the proper operation of financial processes in their own Departments.
- 17.3 The Chief Finance Officer is responsible for ensuring that arrangements are in place for the proper administration of the Council's financial affairs, including:
 - a. issuing advice, guidance and procedures for officers and others acting on the Council's behalf;
 - b. determining the accounting systems, form of accounts and supporting financial records;
 - c. establishing arrangements for audit of the Council's financial affairs;
 - d. approving any new financial systems to be introduced;
 - e. approving any changes to be made to existing financial systems.
- 17.4 Any changes to agreed procedures by Chief Officers to meet their own specific service needs should be agreed with the Chief Finance Officer.
- 17.5 Chief Officers should ensure that their staff receive relevant financial training that has been approved by the Chief Finance Officer.

17.6 Chief Officers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation and must ensure that staff are aware of their responsibilities under freedom of information legislation.

Responsibilities of Chief Officers

17.7 Chief Officers are responsible for the following within their Services:

- a. to ensure that accounting records are properly maintained and held securely;
- b. to ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Chief Finance Officer and subject to statutory requirements and the Council's policy on records management;
- c. to ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained;
- d. to incorporate appropriate controls to ensure that, where relevant:
 - I. all input is genuine, complete, accurate, timely and not previously processed;
 - II. all processing is carried out in an accurate, complete and timely manner;
 - III. output from the system is complete, accurate and timely;
- e. to ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice;
- f. to ensure that there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption;
- g. to ensure that systems are documented and staff trained in operations;
- h. to consult with the Chief Finance Officer before changing any existing system or introducing new systems;

- i. to establish a scheme of delegation identifying officers authorised to act upon the Chief Officer's behalf in respect of all financial matters including payments, income collection and placing orders (including variation orders), and showing the limits of their authority;
- j. to supply lists of authorised officers, with specimen signatures and delegated limits, to the Chief Finance Officer upon request, together with any subsequent variations;
- k. to ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building or another Council site;
- l. to ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation;
- m. to ensure that the requirements of the Council's Information Security Policy are met;
- n. to take steps to ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc;
- o. to comply with the copyright, designs and patents legislation and, in particular, to ensure that:
 - I. only software legally acquired and installed by the Council is used on its computers;
 - II. staff are aware of legislative provisions;
 - III. in developing systems, due regard is given to the issue of intellectual property rights.

18. INCOME

Purpose

Effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost of administering debts.

Regulations

- 18.1 All income due to the Council should be identified and charged correctly, in accordance approved service charging policies.
- 18.2 All income should be collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.
- 18.3 All money received by an employee on behalf of the Council should be paid in full and without delay to the Chief Finance Officer or, as he or she directs, to the Council's bank account, and properly recorded.
- 18.4 The responsibility for cash collection should be separated from that of:
 - a. identifying the amount due;
 - b. reconciling the amount due to the amount received;
- 18.5 Effective action should be taken to pursue non-payment of debt within defined timescales.
- 18.6 Debts below £25 should be recovered at the point of service delivery or sale and will only be processed as a formal sundry debt with the approval of the Chief Finance Officer.
- 18.7 Formal approval for any debt write-off must be obtained before any action is taken (see 18.12 d) and Financial Regulation 24).
- 18.8 Appropriate write-off action should be taken within defined timescales.
- 18.9 Appropriate accounting adjustments should be made following write-off action.
- 18.10 All appropriate income documents should be retained and stored for six years plus the current year.
- 18.11 Money collected and deposited should be reconciled to the bank account by a person who is not involved in the collection or banking process.
- 18.12 As per the Council's Anti-Money Laundering Policy, no cash payment to the Council shall be accepted if it exceeds £10,000.

Responsibilities of the Chief Finance Officer

- a. to agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection;
- b. to order and supply to Departments all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control;
- c. to write-back to Departments any unpaid sundry debts at the date when the debt is referred to a collection agency;
- d. to agree the write-off of sundry bad debts up to £2,500 in respect of any one debtor in respect of any one financial year and with the agreement of the Lead Member up to £20,000 in respect of any one debtor in any one financial year and to refer amounts above £20,000 to Cabinet for approval;
- e. to approve and maintain write off procedures for debts in connection with local taxation, housing benefit and rents;
- f. to approve all debts to be written off in consultation with the relevant Chief Officer and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations .
- g. to periodically review the council's Money Laundering Guidance

Responsibilities of Chief Officers

- a. to consider, where possible, pre-payment in respect of goods and services provided by the council;
- b. to ensure there is a policy for service fees and charges that is regularly reviewed in consultation with the Chief Finance Officer and considered annually as part of the revenue budget setting process;
- c. to separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable;
- d. to initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly;
- e. to issue official receipts or to maintain other records for income collection;

- f. to ensure where practical that at least two employees are present when post is opened so that money received by post is properly identified and recorded;
- g. to hold securely receipts, tickets and other records of income for two years plus the current year;
- h. to lock away all income to safeguard against loss or theft, and to ensure the security of cash handling;
- i. to ensure that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on paying-in slips to provide a reference to the debt (audit trail). Money collected and deposited must be reconciled to the bank account on a regular basis;
- j. to ensure that income is not used to cash personal cheques or other payments;
- k. to supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered, leases, contracts or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the Council and to ensure that accounts are sent out promptly. Chief Officers have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated and in pursuing the matter on the Council's behalf;
- l. to keep a record of every transfer of money between employees of the Council;
- m. to recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off. Once raised, no bona fide debt may be cancelled, except by full payment or by formally writing-off the debt. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt;
- n. to obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit, and the approval of the Cabinet where required;
- o. to notify the Chief Finance officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer.

19. ORDERING AND PAYING FOR GOODS AND SERVICES

Purpose

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

Regulations

- 19.1 Every officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
- 19.2 Goods and services may only be ordered by persons authorised to do so and must be correctly recorded when the order is actually placed.
- 19.3 All goods and services should be ordered in accordance with the Council's Contract Procedure Rules and the Council's procurement strategy, unless ordered from sources within the Council.
- 19.4 Official orders must be in a form approved by the Chief Finance Officer. Orders should be raised electronically using the corporate system unless an exception has been agreed by the Chief Finance Officer.
- 19.5 Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments such as rent or rates, petty cash and purchasing/credit card transactions or other exceptions specified by the Chief Finance Officer.
- 19.6 Orders should be issued electronically to the supplier at the time the order is placed. If this is not possible, a confirmation order should be issued as soon as it is practical to do so.
- 19.7 Standard terms and conditions should be included or referred to on all orders and must not be varied without the prior approval of the Chief Finance Officer.
- 19.8 Goods and services received should be checked to ensure that they are in accordance with the order.

- 19.9 Payments should not to be made unless goods have been received by the Council at the correct price, quantity and quality standards as defined in the purchase order placed with the supplier (19.6). Unless formal approval has been granted by the Chief Finance Officer, the council will not pay in advance of receipt of goods or services.
- 19.10 All payments should be made to the correct person, for the correct amount and be properly recorded, regardless of the payment method.
- 19.11 All appropriate evidence of the transaction and payment documents should be retained and stored for the defined period, in accordance with the document retention schedule. For most payments this will be six years plus the current year.
- 19.12 Apart from petty cash or purchasing cards, the normal method of payment from the Council shall be by automated credit, cheque or other instrument or approved method, drawn on the Council's bank account by the Chief Finance Officer. The use of direct debit shall require the prior agreement of the Chief Finance Officer.
- 19.13 All expenditure, including VAT, should be accurately recorded against the right budget and any exceptions corrected.
- 19.14 Purchases should not be funded by netting off cash income received.
- 19.15 Official orders should not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts or discounts.
- 19.16 Effective procedures should be in place to maintain the security and integrity of data for transacting business electronically.
- 19.17 All e-business/e-commerce developments must be approved by the Chief Finance Officer.

Purchasing Cards

- a. The criteria for the granting, use and accounting for Purchasing Cards will be determined by the Chief Finance Officer;
- b. Purchasing Cards are the responsibility of the named cardholder at all times and should not be used by other officers;

- c. Purchasing Cards must only be used for official Council purchases and are subject to all requirements of these financial regulations, CPRs and other relevant policies, as applicable;
- d. It is the cardholder's responsibility to ensure that clear, complete and accurate receipts (including VAT receipts) are obtained, for every transaction (where appropriate).

Responsibilities of the Chief Finance Officer

- a. to approve the form of official orders and associated terms and conditions;
- b. to make payments from the Council's funds on receipt of authorisation that the expenditure has been duly incurred in accordance with Financial Regulations;
- c. to make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order;
- d. to make payments to contractors on the certificate of the appropriate Chief Officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified;
- e. to provide advice and encouragement on making payments by the most economical means;
- f. to ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports;
- g. to authorise the use of Purchasing Cards;
- h. to issue guidance on the use of Purchasing Cards.

Responsibilities of Chief Officers

- a. to ensure that official orders are used for all goods and services, other than the exceptions specified in 20.5 above. Orders should be completed, issued and authorised at the time the order is actually placed. If this is not possible, a confirmation order should be sent to the supplier, quoting or referring to the Council's terms and conditions, as soon as it is practical to do so;

- b. to ensure that orders are only used for goods and services provided to the council. Individuals must not use official orders to obtain goods, services or discounts for their private use;
- c. to ensure that only those staff authorised to do so approve orders identifying in each case the limits of their authority. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, are consistent with the Council's procurement strategy, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Value for money principles should always underpin the Council's approach to procurement;
- d. to ensure that goods and services are checked upon receipt to verify that they are in accordance with the order.. A different officer from the person who authorised the order should, where possible, carry out this check;
- e. to ensure that discrepancies between orders and invoices received are resolved swiftly;
- f. to ensure that two authorised members of staff are involved in the ordering process. This will mean the person creating an order should be different from the person authorising it;
- g. to ensure the Chief Finance Officer is informed of staff leaving or changing so that ordering permissions can be kept up to date;
- h. to inform suppliers that invoices should be sent to the appropriate PO Box or e-mail address in Finance and should not be sent to the service department;
- i. to ensure that the Department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality and following the Council's contract procedures when required;
- j. to ensure that staff do not deliberately attempt to circumvent the Council's contract procedures, for examples by splitting up orders;
- k. to follow the Council's Contract Procedure Rules when putting purchases out to competitive quotation or tender. See Financial Regulation 30;
- l. to ensure that employees are made aware of the Code of Conduct for County Council employees;

- m. to ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer;
- n. to notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Chief Finance Officer;
- o. with regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status;
- p. to notify the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision;
- q. to ensure that all appropriate payment records are retained and stored for six years plus the current year;
- r. to approve each application for a Purchasing Card;
- s. to ensure monthly Purchasing Card statements are authorised, have invoices attached and are processed through the accounting system in accordance with the guidance of the Chief Finance Officer;
- t. to retain all supporting vouchers and documents for expenditure incurred, in accordance with statutory requirements.

20. PAY & PENSIONS

Purpose

Staff costs are the largest item of expenditure for most authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the authority and that payments comply with an individuals' conditions and contract of employment. It is also important that all payments are accurately and completely recorded and accounted for.

Responsibilities of the Chief Finance Officer

- a. to arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date;
- b. to record and make arrangements for the accurate and timely payment of tax, pension and other deductions;
- c. to ensure that there are adequate arrangements for administering pension matters on a day-to-day basis;
- d. to ensure that all appropriate payroll documents are retained and stored for six years plus the current year.

Responsibilities of Chief Officers

- a. to ensure that appointments are made in accordance with the regulations of the Council within approved grades and scales of pay and that adequate budget provision is available;
- b. to notify the Chief Finance Officer of all appointments, terminations or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer;
- c. to ensure that adequate and effective systems and procedures are operated, so that:
 - i. payments are only authorised to bona fide employees;
 - ii. payments are only made where there is a valid entitlement;
 - iii. conditions and contracts of employment are correctly applied;

- iv. employees' names listed on the payroll are checked to verify accuracy and completeness;
- d. to send an up-to-date list of the names of officers authorised to approve records to the Chief Finance Officer;
- e. to ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. In cases of doubt, advice should be sought from the Chief Finance Officer;
- f. to ensure that the Chief Finance Officer is notified of the details of any employee benefits in kind, to enable the council to fulfill its legal obligations within the income tax system;
- g. to ensure that both the Chief Finance Officer and Monitoring Officer authorise any compromise agreement or other termination before payment is made.

21. TRAVELLING, SUBSISTENCE AND ALLOWANCES

Purpose

The purpose of this regulation is to ensure that the payment of travelling, subsistence and other allowances is accurate, timely, made only when due, conforms with Council policy on travelling and subsistence and accords with the relevant schemes and conditions of employment. It is also important that Members' allowances are paid in accordance with the Members allowance scheme adopted by the full Council.

Responsibilities

- 21.1 The Chief Finance Officer is responsible for making arrangements for the payment of all staff travel and subsistence claims or financial loss allowances.
- 21.2 It is the responsibility of Chief Officers to approve staff travel and subsistence claims and other allowances. Approval is taken to mean that journeys were necessary and cost effective, expenses necessarily incurred, and that allowances are properly payable by the Council and comply with the Council's Travelling and Subsistence policy.
- 21.3 It is the responsibility of all staff and elected Members who submit claims to ensure that they complete claims correctly. This includes the attachment of appropriate fuel and other receipts to claims, whether the claims are submitted manually or electronically.
- 21.4 Chief Officers' should try to ensure that staff submit claims within three months of the month to which they refer. Not doing so affects departmental budgetary control and accounting.
- 21.5 The Chief Finance Officer will make arrangements for paying the travel expenses or other allowances of elected Members upon receiving an authorised claim in the prescribed format that has met the requirements of the Members Allowance scheme.

22. TAXATION

Purpose

The Council is responsible for ensuring that its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Responsibilities of the Chief Finance Officer

- a. to complete all required returns to HM Revenue & Customs (HMRC).
- b. to ensure all payments comply with HMRC requirements.
- c. to maintain up-to-date guidance for Council employees on taxation issues.

Responsibilities of Chief Officers

- a. to ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations;
- b. to ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary Construction Industry Tax Deduction requirements;
- c. to ensure that all persons employed by the Council are added to the Council's payroll and that tax is deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency;
- d. to follow the guidance on taxation issued by the Chief Finance Officer.

23. UNOFFICIAL FUNDS

Purpose

Unofficial funds are those funds that are associated with the County Council, are usually operated by officers of the Council but do not form part of the accounting records or banking arrangements of the Council. Examples include school fund accounts, comforts or amenity funds and community living household accounts (Social Services). This regulation identifies the responsibilities of staff administering the accounts.

General

23.1 The Council will not, as a general rule, supervise the financial administration nor audit unofficial funds, and accepts no liability whatsoever for any loss, however caused. Those operating such funds therefore have an overall responsibility to ensure that proper financial stewardship is observed. This includes ensuring that:

- a. a treasurer and an independent auditor are formally appointed (not applicable to Community Living Accounts);
- b. proper rules are operated to secure adequate standard;
- c. adequate records and procedures are maintained;
- d. regular reports on fund transactions and balances are received and checked against bank statements;
- e. annual statements of income and expenditure and fund balances are prepared and audited;
- f. in the case of community living accounts, that the Community Living Financial Procedures are followed.

23.2 Those operating or intending to operate such funds are also required to:

- a. notify the Chief Finance Officer and Chief Audit Executive of details of the fund as soon as this is set up;
- b. provide an independent annual audit certificate for the fund to the Chief Audit Executive within three months of the end of the financial year, showing at least opening and closing balances and total income and expenditure;
- c. the Chief Audit Executive reserves the right to inspect the accounts and records of such funds as necessary.

24. WRITING OFF BAD DEBTS

Purpose

Writing off debts due to the Council is an acknowledgement that, contrary to Council policy, a debt cannot be pursued. Not recovering a debt affects the Council's revenue position and therefore it must be tightly controlled.

Regulations

- 24.1 Bad debts shall only be written off on the written authority of the Chief Finance Officer where such debts are up to £2,500 in respect of any one debtor in respect of any one financial year and with the agreement of the Lead Member up to £20,000 in respect of any one debtor in any one financial year. Amounts above £20,000 will be subject to Cabinet approval. (See Regulation 18 'Income')
- 24.2 The Chief Finance Officer shall approve and maintain write-off procedures for debts in connection with local taxation including National Non-Domestic Rates, housing benefit and rents.

25. PROTECTION OF PERSONAL PROPERTY

Purpose

All people receiving care services from the council are entitled to a reasonable expectation that their personal property will be properly looked after. This regulation sets out the minimum requirements.

General

- 25.1 In relation to those people whose affairs are administered under the Court of Protection and others in residential care, the statutory director of social services must ensure that steps are taken to prevent or mitigate loss of, or damage to personal property. An itemised inventory shall be taken as soon as possible after the council has been appointed as the Court Receiver and in each case the inventory should be completed in the presence of two officers and be retained.
- 25.2 All valuables including documents of title shall be deposited securely.
- 25.3 For all people to whom a personal care service is provided, the Corporate Director shall ensure that steps are taken to prevent or mitigate loss or damage to the person's property.
- 25.4 Specific financial procedural guidelines are in place for community living (learning disability service) schemes and these guidelines should be classed as appended to this Financial Regulation.

26. ALTERNATIVE SERVICE DELIVERY MODELS & PARTNERSHIPS

Purpose

The Council is involved in an increasing number of formal partnership arrangements and other alternative service delivery models. There is a need to ensure that financial risks associated with such arrangements are managed effectively so as to protect the Council's interests.

Partnerships for this purpose shall be defined as a working arrangement with a body other than Denbighshire County Council that is not covered by a contract. This shall include, but not be limited to, collaborative agreements, joint funding arrangements, shared services etc. Alternative service delivery models can include partnerships but also arrangements such as contractually provided services, mutual arrangements, joint committees and local authority trading companies.

- 26.1 All Partnerships shall comply with the principles set out within the Council's Partnership Toolkit especially in relation to corporate governance and financial management.
- 26.2 This includes the requirement to have a signed partnership agreement in place, prior to the commencement of the partnership, which should include the items prescribed in the Partnership Toolkit.
- 26.3 All financial or in-kind contributions that may have an impact upon the authority's accounts are recorded correctly.
- 26.4 Alternative service delivery models can mean council services being provided by other organisations. It is important that proper consideration of the impact of introducing alternative models is fully understood, therefore each proposal must:
 - a. Comply with the council's corporate methodology for the assessment and implementation of alternative service delivery models;
 - b. This includes formal approval of an options appraisal and business case;
 - c. The business case must include a detailed financial assessment that highlights the costs and benefits of the proposal to include set up costs, funding assumptions, the impact on wider council services and systems and pension liabilities;
 - d. The business case must also set out the proposed governance structures of options being considered including statutory financial reporting requirements and statutory obligations, including taxation;

- e. There must be a formal decision to accept a business case which must include a business plan for the next three financial years;

Responsibilities of the Chief Finance Officer

- 26.5 Issue advice regarding the key elements of funding and risk which may include:
- a. a scheme appraisal for financial viability in both the current and future years;
 - b. risk appraisal, insurance and management;
 - c. resourcing issues including taxation;
 - d. audit, risk, security and control requirements;
 - e. processes to manage surpluses or deficits;
 - f. grant or contractual terms and conditions;
 - g. pension and other employment related financial obligations;
 - h. contract and performance management where appropriate;
- 26.6 Ensure that the accounting arrangements to be adopted are satisfactory.

Responsibilities of Chief Officer

- a. There is full compliance with the requirements of the Council's Partnership Toolkit or Alternative service Delivery Model methodology at all times;
- b. Once established, Partnership or Alternative Service Delivery Models must adhere to the council's Framework for Delivering Services with Council Funded Service Providers;

Insert Link to Framework for Delivering Services with Council Funded Service Providers

- 26.8 The Head of Finance is notified of any financial considerations or in-kind contributions that may be payable as part of the membership of the partnership and which may have an impact upon the authority's accounts. This includes any benefit in-kind such as staff time.
- 26.9 Corporate governance, finance and legal issues are considered when arranging contracts or partnership agreements with external bodies. This includes ensuring that the risks have been fully appraised before agreements are entered into with external bodies and that appropriate controls have been put in place to safeguard the Council's position.

- 26.10 Potential partner organisations or alternative service providers are made aware of their responsibilities under the Council's Financial Regulations including the rights of the Council to have access to any partnership records or access to any staff that may assist in any audit being carried out.
- 26.11 Partnerships are informed that they are expected to adopt these Financial Regulations or an equivalent version which has been approved in advance by the Head of Finance.
- 26.12 All issues relating to insurance and taxation issues which may impact upon this Council are clarified before negotiations with any external party are concluded. This includes the responsibility for collecting and payment of PAYE contributions together with VAT as well as the responsibilities for the insurance of any assets or liabilities and pension liabilities.

27. EXTERNAL FUNDING

Purpose

External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority.

General

27.1 Key conditions of funding and any statutory requirements must be complied with and the responsibilities of the Council must be clearly understood.

Regulations

27.2 Funds are to be acquired only to meet the priorities approved in the policy framework by the full Council.

27.3 Any match-funding requirements should be given due consideration prior to entering into agreements and that future revenue and capital budgets reflect these requirements.

Responsibilities of the Chief Finance Officer

- a. to ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts;
- b. to ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue and capital budgets reflect these requirements;
- c. to ensure that audit requirements are met.

Responsibilities of Chief Officers

- a. to ensure that the Chief Finance Officer is informed of all external arrangements;
- b. to ensure that all claims for funding are approved by the Chief Finance Officer or an officer nominated by him;
- c. to ensure that all claims for funds are made by the due date;
- d. to ensure that the match-funding requirements are considered prior to entering into the agreements and are approved by the Chief Finance Officer;

- e. to ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded;
- f. If the funding is to support a capital investment, that the appropriate approval process is followed as defined in FR 8 (Capital Expenditure).

28. WORK FOR THIRD PARTIES

Purpose

Current legislation enables the authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

Regulation

28.1 Chief Officers can enter into third party service contracts and to undertake work or provide services to third parties subject to resources being available. There should be no adverse impact on the provision of Council operations and appropriate charges should be levied. All subsequent transactions shall comply with the Council's Financial Regulations.

Responsibilities of Chief Finance Officer

- a. to issue guidance with regard to the financial aspects of third party, including compliance with Financial Regulations.

Responsibilities of Chief Officers

- a. Undertake work or provide services to third parties subject to resources being available and there being no adverse impact on the provision of Council operations and appropriate charges being levied;
- b. to inform the Head of Legal and Democratic Services of all contracts entered into;
- c. to ensure that appropriate insurance arrangements are made;
- d. to ensure that the Council is not put at risk from any bad debts;
- e. to ensure that no contract is subsidised by the Council;
- f. to ensure that, wherever possible, payment is received in advance of the delivery of the service;
- g. to ensure that the department/unit has the appropriate expertise to undertake the contract;
- h. to ensure that such contracts do not impact adversely upon the services provided for the Council;
- i. to ensure that all contracts are properly documented;
- j. to provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts;