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1 Glossary Als

Accounting Instructions, which are detailed regulations issued by the [Chief Finance Officer](#)~~Head of Financial Services~~, and which support these FPR.

2 Budget Headings

Budget headings are each separately identified budget item as approved by Council in the annual budget.

3 Corporate Management Team

The team consists of the Chief Executive, Corporate Directors and [Chief Officers](#)~~Head of Service~~.

4 Responsible Officer

Chief Executive, Corporate Directors, [Chief Officers](#) and Heads of Service as

identified in the Council's approved management structure.

5 Further Information

Detailed guidance on the application of these rules can be found in the Accounting Instructions, which are referenced in the appropriate FPR. Accounting Instructions can be viewed on the Council's internet site.

Guidance is also available from the Chief Finance Officer.

1 FPR 1 - Role and Scope of Financial Procedure Rules (FPR)

1 The Role of Financial Procedure Rules.

- a) FPR provide the control framework for managing the Council's financial affairs, enabling financial management within a system of delegated responsibility and accountability.

The objectives of FPR are

- i) to protect the assets and financial resources of the Council
 - ii) to regulate for systematic financial planning
 - iii) to provide for management of budgets, expenditure and income.
- b) As well as protecting the Council, FPR also protects members and officers of the Council. FPR provides a framework within which responsibilities are allocated. Compliance with FPR therefore provides protection to individuals undertaking financial management and transactions.
- c) FPR should be read in conjunction with the Council's other regulatory documents. Note that the Chief Finance Officer has issued Accounting Instructions (AIs) which provide detailed guidance and instructions on financial control arrangements and systems. The AIs are available in the Finance section of the Intranet.
- d) Failure to comply with FPR and AIs could be construed as misconduct and could lead to disciplinary proceedings.

2 The Scope of Financial Procedure Rules

- a) FPR shall apply to every member and employee of the Council and anyone authorised to act on its behalf.
- b) All financial transactions of the Council shall comply with FPR. (Note here that FPR 19 provides for overriding exigencies in the interests of the Council).
- c) Application in Schools.

Note: Separate *detailed* Financial Regulations apply to schools *but they still need to abide by all of the principles set out in these Financial Procedure Rules*.



2 FPR 2 - General Responsibilities

1 Reasonable Actions

All members and employees have a general responsibility to take reasonable action to provide for the security of the assets under their control and to ensure

that the use of resources under their control is legal, properly authorised and achieves best value.

2 **Training and Awareness**

Each Responsible Officer must ensure that arrangements are in place to provide that all staff under their control are aware of the existence and content of FPR and that suitable training is provided to staff.

3 **Compliance**

All members and employees must comply with FPR. Responsible officers are responsible for ensuring that adequate and appropriate arrangements are in place to monitor and ensure compliance. In this regard, Responsible Officers will be supported by the work of Internal and External Audit.



3 **FPR 3 - Financial Management Responsibilities**

1 **The Council**

- a) Is responsible for agreeing the annual revenue and capital budgets and three year forward plans and programmes. It approves the Prudential Indicators for borrowing and long term liabilities and the Treasury and Investment Strategies.
- b) It is responsible for the approval and amendment of Financial Procedure Rules and the system of delegation of financial controls.

2 **The Cabinet and its Members**

Are responsible for approving new schemes and variations to budgets above financial limits as set out in these FPR.

3 **~~Head of Financial Services~~ Chief Financial Officer**

- a) Section 151 of the Local Government Act 1972 requires that "...every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their offices has responsibility for the administration of these affairs".
- b) The Chief Financial Officer is appointed for this purpose and this role is currently filled by the Chief Finance Officer~~Head of Financial Services~~. He has overarching responsibility for the financial affairs of the Council.
- c) He is also the responsible officer in respect of Sections 26 and 114 of the Local Government Finance Act 1988. This requires that he must report to Council if there has been or may be a decision which would result in an unlawful payment, or an act of wilful misconduct, which may cause the loss of money, or that the council may exceed its resources.

- d) He has operational responsibility for the provision of Financial Services. He is responsible for maintaining a continuous review of the Financial Procedure Rules and for reporting any breaches where appropriate. He is responsible for issuing advice and guidance to underpin FPR through detailed Accounting Instructions, which constitute part of these FPR.
- e) He is responsible for the co-ordination and development of financial planning, resourcing of the Council's Revenue and Capital programmes, and the preparation of the annual budget. He is responsible for the co-ordination and reporting of regular budget monitoring.

4 Responsible Officers

- a) As stated above (2.3) Responsible Officers are responsible for ensuring that adequate and appropriate arrangements are in place within their service to monitor and ensure compliance with FPRs and Accounting Instructions.
- b) Responsible officers are required to manage their services efficiently and as economically as possible in providing services at the Council's approved service levels.



4 FPR 4 - Budget and Financial Planning

- 1 The Council is responsible for agreeing the annual budget and forward financial plans. The Cabinet is responsible for preparing budgets and financial plans for recommendation to Council.
- 2 The detailed format and timescale of revenue and capital estimates are determined by the Chief Finance Officer. Responsible officers must comply with his requests.
- 3 Responsible officers are required to prepare revenue and capital estimates and to undertake reviews as instructed by the Chief Finance Officer.



5 FPR 5 - Budgetary Control

- 1 The Chief Finance Officer is responsible for providing appropriate and timely financial information to enable budgets to be monitored effectively.
- 2 The Chief Finance Officer is responsible for coordinating the system of corporate monitoring of budgets as agreed from time to time. He will ensure that regular monitoring reports are presented to Cabinet identifying variances and virement as appropriate.
- 3 As stated in FPR 3.6, Responsible Officers are required to provide services as economically as possible. Should a saving or underspending be identified within

a budget which is not required to provide the approved service level, Responsible Officers must report this to the Chief Finance Officer for consideration corporately.

4 Virement - Revenue Budget

Responsible Officers must manage their budgets within budget headings as approved by Council, subject to any detailed framework issued by the Chief Finance Officer.

Virement between budget headings is subject to approval as follows:

Up to £75,000	By Responsible Officer
£75,000 to £150,000	By the relevant Member of the Corporate Management Team
£150,000 to £1 million	By the Chief Finance Financial Officer
Above £1 million	By Cabinet

Virement between Responsible Officers must be with the agreement of the relevant Member(s) of the Corporate Management Team. Virement between Portfolios must only be in consultation with the relevant Cabinet Members.

- 5 Responsible Officers are required to monitor and regulate their spending programmes and income within their approved budgets. They must report on variances within the corporate monitoring framework and take appropriate action to avoid exceeding their budget allocation. This reporting requirement applies equally to Revenue and Capital budgets (but see also the further requirements for variations to capital schemes FPR 7.3).
- 6 Responsible Officers are required to maintain budgetary control within their services, in adherence to the principles below.
- 7 They must ensure that an accountable budget manager is identified for each item of income and expenditure under their control. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure
 - a) a new policy or
 - b) a variation of existing policy or
 - c) a new capital, leasing or revenue project

which may affect the Council's annual revenue finances by more than £75,000 per annum (excluding borrowing costs) is proposed, notwithstanding that it may be included in the budget, a report must be made to and approved by Cabinet.

- 8 The report must provide estimates of cost, income and funding together with appraisals of any financial issues, appraisal of service options considered and links to the Council's corporate plan.
- 9 Where the gross cost of a proposed new policy, variation to a policy, or a new project, exceeds £75,000 per annum, but is estimated to be partly or wholly offset by income, so that the net cost will be below £75,000, a report must be made to and approved by the Chief Finance Officer.



6 FPR 6 - Financial Planning and Appraisal

1 This section regulates any new policy or scheme, revenue capital or leasing, which will materially affect the Council's finances and budgets.

2 Where

- a) a new policy or
- b) a variation of existing policy or
- c) a new capital, leasing or revenue project

which may affect the Council's annual revenue finances by more than £75,000 per annum (excluding borrowing costs) is proposed, notwithstanding that it may be included in the budget, a report must be made to and approved by Cabinet.

3 The report must provide estimates of cost, income and funding together with appraisals of any financial issues, appraisal of service options considered and links to the Council's corporate plan.

4 Where the gross cost of a proposed new policy, variation to a policy, or a new project, exceeds £75,000 per annum, but is estimated to be partly or wholly offset by income, so that the net cost will be below £75,000, a report must be made to and approved by the Chief Finance Officer.



7 FPR 7 - Capital Programming and Appraisals

1 All Responsible Officers must prepare each year within detailed guidelines and in accordance with the Asset Management Plan, a capital programme for the following three years for approval by the Council.

2 The following reporting Procedure will apply to schemes included in the capital and leasing programmes before approval can be given to start:

Where the estimated cost of an individual project exceeds £1 million, the relevant Cabinet Portfolio Member must obtain the approval of Cabinet. Such reports must include the following information:

- a) The objective to be met by the proposal related to the Authority's current service delivery plan;
- b) A description of the project including a summary of the design brief, and any requirement for acquisition of land or interests in land with an assurance of availability of land by the anticipated start date;
- c) A summary of estimated capital costs, and anticipated dates of start and completion;
- d) The revenue consequences of the scheme including capital financing charges for the budget and following 2 years;

- e) An assessment of financial risks within the project;
 - f) An appraisal of service options considered and links to the Council's corporate plan.
- 3 Where the estimated cost of an individual project exceeds £150,000 but not £1 million, and the project is not materially changed from the scheme included in the approved capital programme, then a report, as detailed above, must be approved by the relevant Cabinet Member and Director, the Chief Finance Officer and the Chief Legal Officer. The relevant Director shall forward a copy of the report to the Head of Democratic Services for publication. Following publication and subject to "call-in" the relevant Director and the Chief Finance Officer may proceed to implement the report decision.
- 4 Once a report has been approved, no material alteration to the design brief or the approved estimate (by more than £25,000 or 5% whichever is the greater) for the scheme, shall be made without further approval by the approval body/group which considered the original scheme.
- 5 Schemes not included in the approved capital programme
- Schemes which are not included in the approved capital programme may be added to it subject to
- a) compliance with paragraphs 7.2 or 7.3 as appropriate and
 - b) agreement of funding for the scheme, accepted by the Chief Finance Officer.



8 FPR 8 - Grant Applications and Acceptances

- 1 The Council provides a range of services, activities and schemes which may be funded, in whole or in part, by external grants from other agencies and organisations. Such grants carry additional responsibilities and risks for the Council in that the Council must comply with grant conditions, or risk repayment and most grants are cash and/or time limited.
- 2 In view of these risks there is a need to exercise close control of grant bidding and administration.
- 3 In order to ensure compliance with financial planning and budgeting, the Chief Finance Officer must approve all grant applications to external bodies.
- 4 In order to ensure compliance with Financial Procedure Rules and internal controls, the Chief Finance Officer must approve and sign all grant acceptances.
- 5 Responsible Officers must inform the Chief Finance Officer of all grant approvals.
- 6 Administration of grant-funded schemes and grant claims will be closely controlled through Accounting Instruction 16. The Chief Finance Officer must approve and sign all grant claims.

- 7 Responsible officers must ensure that all grant claims are completed correctly and on time and passed to Financial Services for certification.
- 8 See also Accounting Instructions 13, 16.



9 FPR 9 - Reserves and Year-End Balances

- 1 The Chief ~~Finance~~~~Financial~~ Officer has responsibility to ensure that prudent levels of resources are maintained and to advise Cabinet and Council accordingly.
- 2 Within this general duty he will determine any detailed arrangements for maintaining specific or ear-marked reserves.



10 FPR 10 - Internal Control of Resources

- 1 Internal control refers to the systems of control devised by management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- 2 The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently and in accordance with the statutory and other authorities that govern their use.
- 3 It is the responsibility of all Responsible Officers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.



11 FPR 11 - Accounting for Income and Expenditure

- 1 All accounting Procedures, recording arrangements, receipts, forms, tickets, etc. must be approved by the Chief Finance Officer, through his staff.
- 2 Through Accounting Instructions and other means, the Chief Finance Officer will issue advice, guidance and requirements for accounting systems, form of accounts and supporting financial records.
- 3 Responsible Officers must ensure that their organisational structure provides an

appropriate segregation of duties to provide adequate internal control and to minimise the risk of error, fraud, or other malpractice.

4 Responsible Officers must ensure that:

- a) Financial systems within the service are documented, that staff are correctly trained to operate them and that any changes to systems are agreed in advance with Finance.
- b) There is a complete audit trail allowing financial transactions to be traced to/from the accounting records to the original documents.
- c) There is a scheme of delegation identifying officers authorised to place orders, make payments and collect income, showing the limits of their authority.
- d) All income due to the Authority is identified and charged correctly in accordance with an approved charging policy.
- e) Payment for goods and services should normally be received at the time of supply by the Council. If credit cannot be avoided, invoices must be raised promptly and be supported by sufficient documentary evidence to prove the debt, and Responsible Officers that any further support required to collect the debt is provided to Finance or Legal.
- f) In order to conform with the Money Laundering Regulations of 2003, any payments worth 15,000 euros or more received in cash must be reported to the Chief Finance Officer. (15,000 euros are currently worth about £132,500).

5 The Chief ~~Finance~~~~Financial~~ Officer is responsible for agreeing arrangements for systems to recover debts due to the Council.

6 Debts which are not recoverable must be written off. The Chief ~~Finance~~~~Financial~~ Officer must approve all write off of debts up to £10,000. Debts above £10,000 must be written-off with the approval of the Chief ~~Finance~~~~Financial~~ Officer, the Chief Legal Officer and the Cabinet Member responsible for the relevant service.

7 Responsible officers must maintain a charging policy for the supply of goods or services and review it regularly. All fees and charges within the Council's discretion must be reviewed in line with guidance issued within the annual budget process.

See Also Accounting Instructions 7, 8, 12 and 13.



12 FPR 12 - Internal Audit

- 1 The requirement for an internal audit function is implied by Section 151 of the Local Government Act 1972. The Internal Audit Section operates in accordance with the principles contained in CIPFA's Code of Practice for Internal Audit and has to be compliant with the Public Sector Internal Audit Standards (PSIAS). It comes under the direction of the Chief ~~Finance~~~~Financial~~ Officer but it is independent in terms of its planning and operation.

- 2 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the Council on the control environment (which comprises of risk management, control and governance) by evaluating its effectiveness in achieving the Council's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 3 The Chief Internal Auditor will maintain an adequate and effective internal audit and he, or his authorised representative have authority to:
 - a) Enter at all reasonable times on any Council premises or land;
 - b) Have access to, and removal if necessary into his custody of, all records, documents and correspondence relating to any financial and other transactions of the Council;
 - c) Require and receive such explanations as are necessary concerning any matter under examination and
 - d) Require any employee of the Council to produce on demand cash, stores or any other Council property under his/her control.
- 4 Where any Responsible Officer has cause to suspect financial irregularity he/she shall inform the Chief Finance Officer immediately and provide facilities for investigation, in accordance with the Council's anti-fraud and corruption policy.
- 5 The external auditors appointed by the [Wales Audit Office](#)~~Audit Commission~~ are responsible to central government and have a statutory duty to carry out an independent audit of the Council including the annual accounts, financial aspects of corporate governance and performance management arrangements. Internal audit co-operate with them to ensure effective audit coverage and to avoid duplication of effort.



13 FPR 13- Borrowing, Investments, Trust Funds, Unofficial Funds and Leasing

- 1 The Council has adopted CIPFA's "Code of Practice for Treasury Management in Local Authorities".
- 2 An Annual Treasury Management Strategy must be approved by the Council. Thereafter its implementation and monitoring are delegated to the Chief [Finance](#)~~Financial~~ Officer who will present an Annual Report on Treasury Management by the 30 September of the succeeding financial year. Quarterly Treasury Management progress reports will be made to the relevant Cabinet Member and made available to all Members.
- 3 All money in the hands of the Council, excluding schools, shall be aggregated for the purposes of Treasury Management and shall be under the control of the Chief Financial Officer.
- 4 All executive decisions on borrowing, investment or financing shall be made by the Chief [Finance](#)~~Financial~~ Officer or through him to his staff who shall all be required to act in accordance with CIPFA's "Code of Practice for Treasury

Management in Local Authorities” and the annual Treasury Management Strategy.

- 5 All borrowing and investment shall be effected in the name of the Council.
- 6 The Chief ~~Finance~~~~Financial~~ Officer shall be the Council’s registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.
- 7 The raising and repayment of loans shall normally be effected through the Council’s bankers.
- 8 All funds shall, whenever possible, be in the name of the Council.
- 9 All officers acting as trustees by virtue of their official position shall deposit all securities, etc. relating to the trust, with the Chief ~~Finance~~~~Financial~~ Officer unless the deed otherwise provides. Payments out of Trust Funds after approval by the Council shall be made by the Chief ~~Finance~~~~Financial~~ Officer.
- 10 Responsible Officers are responsible for the financial management and audit of unofficial funds held by officers within their departments and must consult the Chief ~~Finance~~~~Financial~~ Officer before formulating regulations which will apply to such funds.
- 11 An “unofficial fund” is any fund controlled by an employee of the Authority in the course of his/her official duties which is not a fund belonging to the Council.
- 12 All credit arrangements including operating and finance leases, must be made by Chief ~~Finance~~~~Financial~~ Officer.

See also Accounting Instructions 4, 11, 13.



14 FPR 14 - Stocks and Stores

- 1 Each Responsible Officer shall be responsible for the care and custody of the stocks and stores in his/her department.
- 2 Stores records shall be kept in a form to be approved by the Chief Finance Officer.
- 3 Responsible Officers shall arrange for physical stocktaking by persons independent of all the storekeeping function, either on a cyclical basis, covering all stocks at least once in the financial year and completely at the year end. Physical stocktaking records should be signed, both by the person(s) conducting the stocktaking, and the storekeeper acting as witness.
- 4 The Chief Finance Officer shall be entitled to receive from each Responsible Officer such information as he/she requires in relation to stores for the accounting, costing and financial records.

- 5 Surplus materials, stores or equipment shall be disposed of by transfer within the Council, competitive tender, part exchange or by other method as determined by Corporate Management Team.
- 6 At the end of the financial year, each Responsible Officer shall certify the value of stores held in his/her department and submit details to the Chief Finance officer.
- 7 Adjustments to write off deficiencies, or to account for surpluses, must be prepared by the appropriate Responsible Officer and effected by the Chief Finance Officer. Recurring deficiencies or major discrepancies in quantities or values must be reported to Internal Audit.

See Also Accounting Instruction 9 (Parts 1 and 2).



15 FPR 15 - Inventories

- 1 Inventories must be maintained by all departments and record an adequate description of furniture, fittings and equipment, vehicles, plant and machinery and computer software and hardware.
- 2 Each Responsible Officer is responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly.
- 3 The Council's property must not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Responsible Officer.
- 4 Surplus property of any description must be disposed of by transfer within the Council, competitive tender, part exchange or public auction or such other arrangements as determined by Corporate Management Team.

See also Accounting Instruction 9 (Part 1).



16 FPR 16 - Risk Management and Insurance

- 1 The Council has a Risk Management Policy. Within this policy the Chief Executive is responsible for the development and maintenance of a Risk Management Strategy.
- 2 Responsible Officers are responsible for the management of risk in accordance with the strategy.
- 3 The Chief Finance Officer is responsible for maintaining insurance cover for the Council through external and/or internal insurance funding.
- 4 Responsible Officers must prompt/notify the Chief Finance Officer of all new

risks, properties or vehicles which require to be insured and of any alteration affecting existing insurances.

- .5 Responsible Officers must notify the Chief Finance Officer of any loss, liability or damage or any event likely to lead to a claim and inform the police where appropriate.
- 6 Responsible Officers must consult the Chief Finance Officer and the Chief Legal Officer in respect of the terms of any indemnity which the Council (or an officer acting on its behalf) is required to give.

See also Accounting Instructions 10, 13.



17 FPR 17 - Security of Assets

- 1 Each Responsible Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture equipment, cash, etc. under his/her control.
- 2 There is a general limit of £500 for cash holdings which must not be exceeded without permission from the Insurance Section.
- 3 See Accounting Instruction 8 para. 7.4.
- 4 All arrangements for the carrying of cash by way of a security carrier must be made by the Chief Finance Officer. For advice on cash carrying Procedures, see Accounting Instruction 9, part 4).
- 5 For advice on computer security, see Accounting Instruction 9, Part 5 (and ICT policies).



18 FPR 18 - Intellectual Property

- 1 Certain activities undertaken by an employee during the course of employment could give rise to inventions and writings. As a general rule, they belong to the employer, not the employee. It is the responsibility of Responsible Officers to ensure that there are no conflicts of interest and staff are prohibited from conducting private work in Council time.



19 FPR 19 - Emergencies

- 1 Nothing in these Financial Procedure Rules shall prevent the Authority from incurring expenditure in circumstances where:

- a) There is a serious risk of significant cost to the Council or loss of income resulting from lack of immediate action; or
- b) The Council's property or staff will otherwise be placed at serious risk; or
- c) An emergency or disaster involving destruction or danger to life or property occurs or is imminent or there is reasonable ground for apprehending such an emergency or disaster and such action is calculated to avert, alleviate or eradicate the effects or potential effects of the event, subject to consultation with the Chief Executive and such action being reported forthwith to Council.



20 FPR 20 - Salaries, Wages and Pension

- 1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Council shall be made by the Service Centre~~Human Resources & Organisational Development~~ Manager under arrangements approved by the Chief Finance~~Financial~~ Officer.
- 2 Each Responsible Officer shall notify the Service Centre~~Human Resources~~ as soon as possible and in the form prescribed by him/her, of all matters affecting the payment of such emoluments, and in particular:
 - a) appointments, resignations, dismissals, secondments and transfers;
 - b) absences from duty for sickness or other reason;
 - c) changes in remuneration, other than normal increments and pay awards and agreements of general application.
- 3 Likewise, each Responsible Officer shall provide the Service Centre~~Human Resources~~ with all information necessary to maintain records of service for pensions, income tax, national insurance and the like.
- 4 Appointments of all employees shall be made in accordance with the appropriate Procedures of the Council and the approved departmental structures, grades and rates of pay.
- 5 All time records or other pay documents shall be prescribed or approved by the Chief Finance Officer~~Head of Human Resources~~ and shall be authorised by or on behalf of the Responsible Officer. The names of officers permitted to authorise such records shall be sent to the Service Centre Manager~~Head of Human Resources~~ by each Responsible Officer.
- 6 Where any employee is working for more than one service department etc. their pay will be aggregated to properly account for income tax and national insurance.

See also Accounting Instructions 2, 13.



21 FPR 21 - Orders for Work Goods and Services

Note:

See also Contract Procedure Rules which deal with tendering Procedures, contract formalities, orders placed within framework agreements etc.

- 1 Official orders must be issued for all work, goods, or services to be supplied to the Authority except for petty cash purchases or such other exceptions as the Chief Finance Officer may approve.
- 2 Official orders must be in a form approved by the Chief Finance Officer and are to be authorised only by officers of appropriate seniority authorised by the relevant Responsible Officer.
- 3 Official orders shall indicate clearly the nature and quantity of the works, goods, equipment or services required and any contract or agreed prices relating thereto.
- 4 Responsible Officers may place orders for work, goods and services, in accordance with Contract Procedure Rules, providing the expenditure is covered by an approved budget.

See also Accounting Instructions 4, 13.



22 FPR 22 - Payment of Accounts

- 1 The processing of accounts for payment shall be under the control of the appropriate Responsible Officer in accordance with arrangements approved by the Chief Legal Officer.
- 2 The Responsible Officer of the department issuing an order (or any officer authorised by him/her to do so) is responsible for the examination, verification and certification of the relevant invoices. The certification will include:
 - a) that the goods have been received, examined and approved as to quality and quantity or the work has been done satisfactorily, and that the orders have been complied with;
 - b) that the expenditure is within budget;
 - c) that the prices, arithmetic, VAT and expenditure code are correct;
 - d) that the proper entries have been made in the inventories or stores records, where appropriate;
 - e) that the account has not been previously certified for payment and is a proper liability of the Council.
- 3 The certification of accounts for payment shall be by the Responsible Officer concerned or by any officer authorised by him/her to do so.
- 4 Accounts for payment shall be certified and sent to the Chief Finance Officer as soon as possible, and in accordance with the timetable which has been devised to avoid penalties imposed under the Late Payment of Commercial Debts (Interest) Act 1998.

- 5 The Chief Finance Officer shall examine, as far as he/she considers necessary, certified accounts passed to him for payment, and he shall be entitled to receive such information and explanation as he may require.
- 6 Payments to individuals for services provided must be treated correctly for Income Tax and National Insurance purposes particularly the self-employed and casual workers including those covered by the Construction Industry Tax Deduction Scheme.

See also Accounting Instructions 5, 13.



23 FPR 23 - Petty Cash

- 1 Where any Petty Cash Accounts are authorised by the Chief Finance Officer, any single payment therefrom shall not exceed the sum of £50 unless otherwise agreed by the Chief Finance Officer. Salaries, Wages and Car Allowance Payments must not be paid out of petty cash.
- 2 Such accounts must be kept on the Imprest System, and the petty cash books and vouchers must be retained in departments and be available for inspection if required at time of reimbursement. No income received on behalf of the Council may be paid into such accounts but must be banked or paid to the Council as provided elsewhere in these rules.
- 3 On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest advance, an officer shall account to the Responsible Officer or the Imprest holder's successor for the amount advanced to him/her. The same principles apply to all other cash floats.
- 4 Reimbursement of the petty cash account must be effected regularly to avoid overdrawn balances and by no later than 31st March in each financial year.

See also Accounting Instruction 6.



24 FPR 24 - Value Added Tax

- 1 Accounts and records in connection with Value Added Tax shall be kept by the Chief Finance Officer or under arrangements approved by him/her.
- 2 The Chief Finance Officer will submit monthly returns as required by HM Customs and Excise and ensure that all VAT reclaimed is promptly paid to the Authority.
- 3 Responsible Officers must ensure that:

- a) the amount of VAT due is properly included on the supplier's invoice which must include the VAT Registration Number and comply fully with the requirements of a valid tax invoice.
- b) in the case of certified sub-contract payments, the documentation must indicate that the payment is to a sub-contractor.
- c) in other "exceptional" cases, the payment is allowed under the Valued Added Tax Act 1994 and outlined in HM Customs and Excise Notice 700 (or other amending Act or regulation).
- d) VAT on all relevant income is accounted for properly, in accordance with the provisions of the Council's VAT Manual issued and updated by the Chief Finance Officer and available on the Intranet.
- e) In proposing schemes of capital expenditure or capital disposals, officers must consider the VAT implications of making exempt supplies and consult with the Chief Finance Officer as necessary.

See also Accounting Instructions 5, 6, 7, 8, 13 and 15.

25 FPR 25 - Banking Arrangements

- 1 All arrangements with the Council's banker shall be made by or under arrangements approved by the Chief Finance Officer who shall be authorised to operate such banking accounts ~~including National Giro Accounts~~, as he/she may consider necessary.
- 2 All cheques shall be ordered only on the authority of the Chief Finance Officer who shall make proper arrangements for their safe custody.
- 3 The Procedures for the prompt reconciliation of the Council's principal bank accounts as specified by the Chief Finance Officer shall be followed by the officers involved.
- 4 Cheques on the Council's principal banking accounts, shall bear the facsimile signature of the Chief Finance Officer or be signed by the Chief Finance Officer or other officer authorised to do so.
- 5 Personal cheques must not be cashed out of moneys held on behalf of the Council unless under arrangements approved by the Chief Finance Officer.

See also Accounting Instructions 8 and 14.

26 FPR 26 - Members and Staff Expenses

- 1 All employees' claims for payment of car allowances, travelling and incidental expenses shall be submitted, duly certified in a form approved by the Chief Finance Officer to the ~~Human Resources & Organisational Development Manager~~ ~~Service Centre Manager~~, or as he/she directs, made up to the last day of each month, within seven days thereof. The names of officers authorised to sign such records must be sent to the ~~Chief Finance Officer~~ ~~Head of Human Resources~~ (or the Director of Education where appropriate), by each Responsible Officer together with specimen signatures and shall be amended immediately on the occasion of any change.

- 2 Payments to Members, including co-opted Members of the Council and Standards Committee who are entitled to claim travelling or other allowances, will be made by the ~~Service Centre Manager~~Human Resources & Organisational Development Manager upon receipt of the prescribed form duly completed and checked by the Head of Democratic Services. All claims are to be submitted on a monthly basis and within one month of the end of the financial year.
- 3 The certification of officers' claims by or on behalf of the Responsible Officer will be taken to mean that the certifying officer is satisfied that the journeys were authorised, that expenses were properly and necessarily incurred and that allowances are properly payable by the Council and there is sufficient budget provision.
- 4 Any claims submitted more than three months after the end of the month in which expenses were incurred will be paid only with the express approval of both the Head of Democratic Services and the Chief Finance Officer ~~Human Resources & Organisational Development Manager~~. Payment of the expenses may not be approved unless there are special reasons why the claim was delayed.
- 5 Where an advance payment is made in respect of anticipated large expenditure, it must be supported by a final claim form after the event duly certified by the claiming officer/member and any surplus must be repaid to the Council.

See also Accounting Instruction 3.

Note:

~~Expenses for foreign travel for Councillors, the Lord Mayor, Consort etc. and Officers must be authorised by the Chief Financial Officer.~~

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27 FPR 27 - External Arrangements and Partnerships

- 1 Unless otherwise agreed by the Chief Finance Officer the principles and terms of Financial Procedure Rules apply as appropriate to all contracted partnerships which the Council is a party to.
- 2 Responsible officers must consult the Chief Finance Officer in this respect in relation to any new partnerships to be entered or any variation.
- 3 Responsible Officers may provide services to outside bodies in accordance with relevant statutory provisions, following consultation with the Chief Legal Officer and the Chief Finance Officer.
- 4 Responsible Officers must provide appropriate information to the Chief Finance Officer on any partnership arrangements to enable any required entry to be made in the Statement of Accounts.

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