

FINANCIAL PROCEDURE RULES – Appendix B

Introduction

The purpose of these Rules is to provide a sound and published framework of financial control within which the whole Council must operate. They link in with other rules and procedures forming part of this Constitution, for example the Budget and Policy Framework Procedure Rules at Part 4, the Responsibility for Functions at Part 3, the Employees' Code of Conduct at Part 5 and the Contract Procedure Rules at Part 4.

These Rules are approved by the Council and apply to every councillor and officer of the authority and anyone acting on its behalf.

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 officers has responsibility for the administration of those affairs.'

The Chief Finance Officer (Selby District Council/Assistant Director Strategic Resources (North Yorkshire County Council) is appointed for the purposes of Section 151. He/she shall also be responsible for maintaining a continuous review of these Rules and submitting any recommendations for additions or changes necessary to the Executive for approval. He/she shall also be responsible for reporting, where appropriate, breaches of the Rules to the Council and/or Executive.'

These Rules, including the financial levels set out herein, may be varied or revoked only by resolution of the Council.

All reports to the Council, committees, and the Executive must contain a financial appraisal setting out the full financial implications arising from the proposal contained in the report. The financial appraisal (or its absence from a report or reports) must be agreed with the Chief Finance Officer.

Each Director is individually responsible for the proper financial management of the resources allocated to his/her service area through the budget-making process and for the identification of income arising from activities within his/her operational area. This includes the control of staff and the security, custody and management of assets including plant, equipment, buildings, materials, cash and stores relating to his/her service area. Each Director shall ensure that staff comply with the requirements contained in these Rules.

Assistance to ensure compliance with these Rules can be obtained from the Finance Team.

These Rules aim to achieve financial propriety rather than to act as a barrier

to action.

The ~~Executive Director with s.151 responsibilities~~Chief Finance Officer may delegate in writing certain of his/her responsibilities within these Rules to his/her staff but must retain overall responsibility as the Section 151 officer.

1. Revenue Expenditure

- (a) Every Director shall, in conjunction with the Chief Finance Officer prepare estimates of their income and expenditure for the following 3 financial years. These estimates shall be in a form and in accordance with deadlines approved by the Chief Finance Officer and shall be prepared in accordance with the Council's Financial Strategy.
- (b) The Chief Finance Officer shall submit the estimates and an annual estimates report to the Executive who shall consider the estimates, and, following consultation with the relevant Overview and Scrutiny Committee(s), shall submit such estimates to the Council recommending any amendments they deem necessary and the Council Tax to be fixed for the ensuing year in accordance with the Budget and Policy Framework Rules at Part 4 of this Constitution.
- (c) The Chief Executive, Statutory Officers or Directors may authorise routine revenue expenditure in implementation of the Council's policies provided due provision has been made in annual estimates or it is within approved virement limits. Diversions expressly provided within estimates as contingencies may be authorised by the Chief Finance Officer, subject to any limitation made by the Council.
- (d) The Chief Finance Officer shall provide the Chief Executive, Statutory Officers and each Director with periodic statements of income and expenditure in accordance with an agreed timetable under each head of approved estimate. It is the responsibility of each such Officer to monitor and regulate those items of income, expenditure commitments and orders under his/her control.
- (e) Any proposal to incur revenue expenditure or to reduce revenue income which is not included in the approved estimates and which cannot be funded by virement within the estimates shall be submitted to the Council with a report subject to the urgency provisions in Rule 4 of the Budget and Policy Framework Rules at Part 4 of this Constitution.
- (f) Virement within estimates shall be subject to the Chief Finance Officer approved virement procedures at Rule 4 of these Financial Procedure Rules.
- (g) Proposals on use of balances and level of Council Tax will be considered by the Executive and recommended to the Council. The annual Council Tax will be set by the Council.

- (h) Proposals to carry forward any underspends shall be approved by the Executive.

2. Capital Expenditure

- (a) The Executive shall, during each financial year and after consultation with the relevant Overview and Scrutiny Committee(s), approve a capital expenditure programme for the next following and subsequent 2 financial years. Such programmes shall be in a form and in accordance with deadlines approved by the Chief Finance Officer and in accordance with the Council's Financial Strategy. Such programmes shall be prepared by the respective Director, in conjunction with the Chief Finance Officer for submission to the Executive and then Council for approval.
- (b) Before embarking on any scheme identified as 'non-routine' included in the approved capital expenditure programme, the appropriate officer shall submit details to the Executive and shall incorporate a statement prepared in conjunction with the Chief Finance Officer, showing estimated costs and probable initial and ultimate revenue charge as well as the proposed method of financing.
- (c) If, during the course of the financial year, the need for a capital scheme is identified by the Executive, the scheme must be submitted to the Council with a recommendation that it be added to the capital expenditure programme in accordance with the Budget and Policy Framework Procedure Rules.
- (d) If, during the progress of a scheme, it becomes apparent that the estimated costs originally submitted are likely to be exceeded by £50,000 or more, the relevant Director shall report the facts immediately to the Executive.
- (e) The final certificate of completion of any contract shall not be issued until the appropriate officer, architect, engineer or consultant has produced to the ~~Chief Finance Officer~~relevant Director a detailed statement of account and all relevant documents as required.
- (f) The Chief Finance Officer shall to the extent he/she considers necessary examine final accounts for contracts and he/she shall be entitled to make all such enquiries and receive such information and explanations as he/she may reasonably require in order to satisfy himself/herself as to the accuracy of the accounts.
- (g) The final cost of any scheme, when ascertained, shall be reported to the Executive or appropriate Executive Councillor and the Council by the Chief Executive, Statutory Officer or Director concerned and the Chief Finance Officer.

3. Monitoring and control of revenue and capital expenditure

Quarterly exception reports covering both revenue and capital expenditure and income shall be submitted to the Executive in a form approved by the Chief Finance Officer.

4. Virement

- (a) Virement is a transfer of budget provision within or between budget headings and is an important mechanism in managing budget efficiently within cash limits.
- (b) Virements within approved service revenue expenditure budgets may be agreed by the Chief Finance Officer subject to the limits set out below.
- (c) The approval of the Executive shall be required where the virement is outside the limits set out below, is contrary to the Budget and Policy Framework Procedure Rules, or where the Chief Finance Officer so requires.
- (d) Virement does not create additional recurring overall budget provision.
- (e) Virements are limited to £50,000 both from and to an individual budget in any one financial year.
- (f) Virement is not allowed between the General Fund and Housing Revenue Account nor is it permitted between capital and revenue.
- (g) Virement is not allowed from the following budgets:
 - i) Insurances
 - ii) NNDR
 - iii) capital financing costs
 - iv) internal recharges
 - v) income
- (h) Virement is not allowed from carry-forward budgets.

5. Asset Register

- (a) An Asset Register is maintained by the Chief Finance Officer for the management of the Council's fixed asset accounting. A desktop review of the register is carried out annually and a full review is carried out every 5 years by an independent valuer.
- (b) An asset for inclusion in the Register is defined as a fixed asset, over a value of £10,000 and with a life and use of over one year.
- (c) Assets are adjusted, where appropriate, for depreciation and where

repairs and maintenance expenditure materially adds to the life of the asset.

- (d) It is the responsibility of the Chief Executive, Statutory Officers and Directors to immediately notify any amendments, deletions or additions to the Chief Finance Officer – and provide any information or evidence required. This is also required for insurance purposes.

6. Disposal of Land and Capital Assets

(a) Definitions

- (i) 'Land transaction' means the ~~acquisition or~~ disposal of, or other dealing with land whether or not buildings, plant and equipment, fixtures and fittings, or other assets are included in that transaction.
- (ii) 'Major disposal' means a land transaction which consists of either a disposal of the freehold where the consideration exceeds ~~£50,149,000,999~~, or the grant of lease for more than 7 years or where the rent exceeds ~~£20,000,49,999~~ per annum or where the premium exceeds ~~£50,000,149,999~~.
- (iv) 'Best Consideration' is a principle established by s.123 of the Local Government Act 1972 but has since been extended to allow authorities to dispose of land at less than 'best consideration' subject to it being for certain specific uses, e.g. economic and social well-being. A discount of up to £2 million could be given if justified.

(b) Approval of major disposals

The principal ~~terms and~~ method of each major disposal must be approved by the Executive. When determining such matters the relevant Director, in conjunction with the Chief Finance Officer and the Solicitor to the Council shall prepare a report for the Executive which shall:

- Specify the land to be disposed of.
- Confirm whether that land has been declared surplus to the Council's requirements.
- Advise upon the proposed method of disposal, and provide the reasons for selecting that method.
- In matters where the Council must achieve best consideration, confirm that the proposed method of disposal which has been selected is most likely to achieve this.
- In matters where it is proposed that the disposal should be for less than best consideration, give reasons for and against seeking best consideration and following

consultation with the Solicitor to the Council, specify the relevant legal powers of the Council to accept less than best consideration.

- (c) Dealing with formal tenders and offers
 - (i) Tenders and offers shall be opened at one time by an officer nominated by the appropriate Director, and the names of tenderers/offers, and the amounts of tenders/offers shall be recorded in a register kept by the Solicitor to the Council. Persons present at the opening of tenders/offers shall record their presence by signing the register against the specified details. Tenders/offers must be opened by the nominated officer and witnessed by a Statutory Officer or Director or his/her nominated representative. Alterations/errors in tenders/offers and later or otherwise invalid tenders/offers shall be dealt with in consultation with the Solicitor to the Council.
 - (ii) Where there are alterations/errors, or where a tender or offer is received late, or is otherwise invalid, and the relevant Director, in consultation with the Solicitor to the Council, is minded to recommend acceptance, the Director should record the reasons for doing so. All tenderers/offers should be given the opportunity to resubmit their tenders/offers within a given timescale wherever, in the opinion of the relevant Director, it is possible that other tenderers/offers will otherwise be prejudiced.
- (d) Disposals by auction
 - (i) In disposals where the approved method of disposal is by auction, at least 3 auctioneers approved by the relevant Director must be invited to provide a written quotation as to commission and associated disposal costs and the quote offering best value must be selected by the Director. This provision may be waived by agreement of a Chief Officer in the case of specialist items.
 - (ii) A 'reserve price' must be set by the relevant Director in consultation with the Chief Finance Officer (and will be based on an independent valuation). The reserve price must be disclosed only to the auctioneer and the Council's representative attending the auction.
- (e) Approval of land transactions other than major disposals and disposals of other capital assets
 - (i) The principal terms of land transactions other than major disposals and disposals of other capital assets (except where the method of disposal is by way of auction) must be approved by the relevant Director in consultation with the Chief Finance

Officer.

- (ii) The decision record must include details of estimated proceeds and their application.
 - (iii) If the proposal represents less than best consideration then following consultation with the Solicitor to the Council the decision record must specify the relevant legal powers of the Council to accept less than best consideration.
- (f) Formalities
- (i) All contracts and other documentation entered into pursuant to all land transactions shall be in writing, and shall be signed or sealed as appropriate.

7. Inventories

- (a) Each Director shall prepare and keep up-to-date an inventory, wherein shall be recorded an adequate description of moveable plant and machinery, transport, furniture, fittings and equipment, office machinery and similar property belonging to the Council and under his/her control. The form in which the inventories shall be kept and the extent to which property shall be recorded is to be determined by the appropriate Director with the concurrence of the Chief Finance Officer.
- (b) Each Director shall be responsible for maintaining an annual check of all items of the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly.
- (c) The Council's property shall be marked as property of the Council and shall 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 Director concerned.
- (d) The Chief Finance Officer or his/her representative may at all reasonable times have access to all such property of the Council and may make such checks and tests as he/she deems reasonable.
- (e) Responsibility for the inventory of all computer hardware and software shall lie with the ~~Director of Corporate Services-Chief Finance Officer~~.
- (f) Inventories shall be reviewed from time to time by Directors in consultation with the Chief Finance Officer for the consideration of arrangements for custody and adequate insurance cover.

8. Borrowing

- (a) The Chief Finance Officer operation of the Council's borrowing shall be

subject to compliance with the CIPFA Code of Practice on Treasury Management, the Council's Treasury Management Policy Statement and Strategy and the Prudential Code for Capital Investment in Local Authorities.

9. Insurances

- (a) Chief Finance Officer shall effect all insurance cover and ~~negotiate~~ agree all claims in consultation with other Directors where necessary.
- (b) Directors shall give prompt notification to the Chief Finance Officer of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- (c) Directors shall forthwith notify the Chief Finance Officer in writing of any loss, liability or damage or any event likely to lead to a claim and inform the Police if necessary.
- (d) All appropriate employees and volunteers of the Council shall be included in a suitable fidelity guarantee insurance.
- (e) The Chief Finance Officer shall annually, or at such other period as he/she may consider necessary, review all insurances in consultation with other Directors as appropriate.
- (f) Directors shall consult the Chief Finance Officer concerning the terms of any indemnity which the Council is requested to give.
- (g) Directors shall notify the Chief Finance Officer in advance of the acquisition of assets or at the onset of new risks which are likely to require insurance cover, together with an estimate of the cost of the required insurance cover, in order that cover can be arranged once delivery occurs or the risk materialises.
- (h) The Chief Finance Officer shall in matters of urgency undertake to arrange immediate insurance cover where in his/her opinion this is deemed necessary to cover the risks.

10. Banking Arrangements

- (a) All bank accounts shall be in the name of Selby District Council and no bank account shall be opened without the authority of the Chief Finance Officer. The Chief Finance Officer shall be authorised, on behalf of the Council, to agree an overdraft facility with the Council's bankers as may from time to time be necessary.
- (b) Supplies of cheques shall be ordered only on the authority of the Chief Finance Officer who shall make safe and efficient arrangements for the control, custody and issuing of cheques. He/she shall also make appropriate arrangements for the safe transit and transmission of cash

and cheques. Main account cheques shall bear the facsimile signature of the ~~Executive Director with s.151 responsibilities or such other officer as the Council may determine~~ Chief Finance Officer. Cheques over £20,000 to have 2 authorised signatures with at least one being a first signatory.

- (c) The computer printed name of the Chief Finance Officer may be used for crossed cheques up to £20,000 and for open cheques up to £200.
- (d) All advance accounts shall be approved by the Chief Finance Officer and be kept on an imprest basis.

11. Imprest/Petty Cash Accounts

- (a) Payments made from an imprest account shall be limited to minor items of expenditure and to such other items as the Chief Finance Officer may approve and shall be supported by a receipted voucher as required. No income received on behalf of the Council may be paid into an imprest account but must be banked direct into the Council's bank account, or via the Council's cashiers' facility.
- (b) It is a requirement that a certificate be produced by the responsible officer verifying the amount of 'float' held at the end of each financial year and provided to the Chief Finance Officer.

12. Treasury Management

- (a) This Council has adopted CIPFA's Treasury Management Code of Practice 2009 and will adopt any amendments/additions to that Code.
- (b) A Treasury Management Policy Statement shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Chief Finance Officer.
- (c)
 - (i) All money in the hands of the Council shall be under the control of the Chief Finance Officer.
 - (ii) The Chief Finance Officer shall report to the Executive not less than twice in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers. One such report shall comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.
- (d) At or before the start of the financial year the Chief Finance Officer shall report to the Executive on the strategy for treasury management it is proposed to adopt for the coming financial year.
- (e) All Executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer who shall be required to act in

accordance with CIPFA's Treasury Management Code of Practice 2009.

13. Accounts and Audit

- (a) The accounts of the Council shall be kept by the Chief Finance Officer and all systems of accounting throughout service areas shall be as agreed with him/her. All accounting procedures adopted shall reflect local government-recommended professional practices and be in accordance with legal requirements. The Chief Finance Officer shall from time to time make such recommendations to the Council regarding the accounting systems and financial operations as he/she may deem necessary.
- (b) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them. Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
- (c) A continuous internal audit, under the direction and control of the Chief Finance Officer, shall provide an appraisal and review of the internal control system as a service to all levels of management and the Council as a whole. It will objectively examine, evaluate and report upon the adequacy of internal controls as a contribution towards the proper and efficient use of resources and to minimise the risk of irregularity occurring.

Chief Officers and Directors, acting collectively, shall have the responsibility to establish internal control to:

- (i) ensure adherence to policies and directives in order to achieve the Council's objectives;
 - (ii) safeguard its assets;
 - (iii) secure the relevance, reliability and integrity of data and information, so ensuring as far as possible the completeness and accuracy of records;
 - (iv) ensure compliance with statutory requirements.
- (d) The Chief Finance Officer or his/her authorised representative shall have authority to:
- (i) enter at all reasonable times any Council premises or land;
 - (ii) have access to all records, documents and correspondence relating to any financial transactions of the Council, including

those held by contractors;

- (iii) require and receive such explanations as are necessary concerning any matter under examination;
 - (iv) require any employee to produce cash, stores or any other Council property under his/her control; and
 - (v) require the assistance of employees at all levels of the Council in the preparation of internal audit reports.
- (e) At the end of each financial year, Chief Finance Officer shall submit to the Executive a statement of outturn of all revenue expenditure for approval and presentation to the Council. The Chief Finance Officer shall submit the accounts to the Audit and Governance Committee for approval, in accordance with the Accounts and Audit Regulations; the accounts shall then be reported to the Executive and Council.
- (f) Subject to any instruction given by the Council to the Chief Finance Officer, their systems of accounting control and the form of their accounts and supporting records shall be determined by that officer, and he/she shall ensure that, subject to compliance with any such instructions as are mentioned above, the systems of accounting control determined by him/her are observed and that the accounts of the Council are kept up to date.
- (g) Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council, the Chief Executive, Statutory Officer or Director concerned shall notify the Chief Finance Officer who shall satisfy himself/herself as to the arrangements for investigation, report and subsequent action.
- (h) The internal audit function shall be conducted in accordance with the latest professional guidance and its activity will be based on an annual plan and controlled in order to achieve the agreed objectives. Documents shall be produced and records shall be maintained to demonstrate adequate control and professionalism in the delivery of the audit service. The findings and recommendations from each audit review shall be included in a formal report which will be presented to the Chief Finance Officer, the Chief Executive and the Monitoring Officer.
- (i) Internal audit will carry out Value for Money exercises, and provide quality assurance advice and support, in accordance with a programme agreed in advance by the Chief Finance Officer and Directors.

14. Income

- (a) The Chief Finance Officer shall make and maintain arrangements for:
 - (i) the financial organisation, accounting and book keeping necessary to ensure the proper recording of all sums due to the Council; and
 - (ii) the collection, custody, control, disposal and prompt and proper accounting for all cash in all service areas of the Council and has the right to inspect any documents or other evidence in this connection as he/she may decide.
- (b) All monies received on behalf of the Council in any service area shall be deposited promptly in a manner approved by ~~with~~ the Chief Finance Officer.
- (c) Large amounts of cash shall not be held overnight unless this is unavoidable. Where money is held overnight, the amount must not exceed limits laid down by the Council's insurers and secure arrangements must exist for safe keeping (approved by the Chief Finance Officer). Keys to safes must be kept by the approved key holder(s) and any loss of such keys must be reported to the Chief Finance Officer immediately.
- (d) Officers must not under any circumstances borrow temporarily from Council monies. Personal money must be kept entirely separate from Council monies and personal cheques must not be cashed out of money held on behalf of the Council.
- (e) Every transfer of official money from one member of staff to another must be evidenced in the records of the service areas concerned by the signature of the receiving officer.
- (f) The Chief Finance Officer shall maintain a Sundry Debtor System. All requests for debts to be raised shall be made on the form provided and signed by the relevant Director. Reports of outstanding debtors shall be provided monthly to the relevant Director.
- (g) All official receipt forms, account books, tickets and other financial items of a similar nature shall be in a form approved by the Chief Finance Officer and shall be ordered, controlled and issued by him/her and all recorded and acknowledged except for car parking tickets which should be ordered, controlled and issued by a Director, subject to the Chief Finance Officer being satisfied with the control arrangements. The Director of each service area shall be responsible for the safe custody and proper use thereof.
- (h) Particulars of all charges to be made for works done, services

rendered or goods supplied by the various service areas of the Council and of all other amounts due shall be promptly notified to the Chief Finance Officer.

- (i) New charges or changes in existing charges shall be approved by the Executive except that:
 - (i) the Chief Finance Officer, in conjunction with the Director concerned, may increase the existing charges annually in line with inflation or take account of changes in the rate of VAT.

15. Write off of debts and losses

- (a) No money due to, or inventory items of, the Council shall be written off without the authority of the Executive except that they may, after consulting any Chief Executive or the Director concerned:
 - (i) authorise the writing off of any loss of money or stores or inventory item not exceeding £10,000;
 - (ii) approve the abandonment or remission of any claim for money due to the Council when the sum involved does not exceed £10,000;
 - (iii) write off irrecoverable charges on bankruptcy or liquidation.

16. Orders

- (a) Except where a formal contract is made, all orders for work, goods and services shall be issued only by email or printed automatically using the computerised financial management system (i.e. official orders) approved by the Chief Finance Officer provided that the Chief Finance Officer may waive this requirement exceptionally in relation to particular orders such as supplies of public utility services, periodic payments, rent or rates, or otherwise.
- (b) Before an order is issued it shall be established that there is sufficient provision in approved estimates and/or other approvals have been obtained. The provisions of the Contract Procedure Rules shall be followed for obtaining tenders and quotations. The tendered or quoted price of the work, goods or services shall be stated on the order.
- (c) Oral orders shall be confirmed by official order prepared the same day. Any invoices received for which an official order cannot be traced shall be forwarded immediately to the Chief Finance Officer together with an explanatory memorandum. No Director shall use order forms other than those electronic orders provided by the financial management system.
- (d) All orders shall, so far as possible, be issued in sufficient detail to

identify completely and accurately the work, goods or service required, and shall specify where applicable the quotation, contract or other relevant agreement.

- (e) Orders shall be authorised by the appropriate Statutory Officer or Director or other officer authorised by him/her after consultation with the Chief Finance Officer to approve on his/her behalf, provided that officers authorised to approve orders shall approve in their own name. The names of officers authorised to approve/sign such orders shall be sent, annually or on request, to the Chief Finance Officer by each Director together with specimen signatories and shall be amended on the occasion of any change.
- (f) All orders shall be placed in accordance with the requirements of the Contract Procedure Rules in respect of the invitation of tenders and quotations.
- (g) An officer ordering materials shall consider the use of any central purchasing arrangements and to the possibilities of the standardisation of supplies and materials.
- (h) Any previously owned vehicles being purchased by the Council must be subject to a satisfactory data check on the vehicle's history by the ~~Chief Finance Officer~~ relevant Director before the Council is committed to the purchase of the vehicle.

17. Payment of Expenditure

- (a) All payments by the Council, except payments authorised under imprest accounts, and payments of salaries and wages shall be made by the Chief Finance Officer who shall satisfy himself/herself from time to time that there are proper arrangements in place to ensure that any amount is properly due and only such amounts are paid by the Council.
- (b) Each Director shall be responsible for arranging to have checked and certified all invoices, claims and accounts and input where appropriate arising to be dealt with in his/her service area as to their correctness in every respect. All such invoices, claims and accounts so checked and certified and complete with details of allocation and coding shall be passed without delay to the Chief Finance Officer so that they may be processed for payment. The names of officers authorised to certify monies for payment shall be sent, annually or on request, to the Chief Finance Officer by each Director together with specimen signatures, and shall be amended on the occasion of any change.
- (c) Directors shall ensure that there is a division of duties between processing of orders, receipt of goods or services and certifying of invoices.

- (d) Certification shall mean:
 - (i) an official order has been issued in compliance with Rule 17 or falls within the exceptions authorised by that Rule;
 - (ii) the work, goods or services to which the account relates have been received, carried out, examined and approved;
 - (iii) the prices, arithmetical accuracy, trade discounts, other allowances, credits and tax are correct and in accordance with quotations, contracts and valuations;
 - (iv) any VAT element of the payment has been correctly identified;
 - (v) the relevant expenditure has been properly incurred, is within the relevant estimate provision and is coded to the correct heads of expenditure;
 - (vi) the account has not been previously passed for payment and is a proper liability of the Council.
- (e) Each Director shall submit urgently and in sufficient time for the discount to be obtained all certified and checked invoices, claims and accounts subject to discount for prompt payment.
- (f) Each Director shall, to the extent requested by the Chief Finance Officer and by the date specified, notify him/her of outstanding expenditure relating to the previous financial year.
- (g) Any voucher or other document relating to the financial transaction of the Council shall be retained for a minimum of 6 years.
- (h) When an invoice is found to be incorrect it must not be amended by an officer, but a revised account must always be requested from the creditor. Any alteration will result in the account being invalid for the purposes of VAT where applicable.
- (i) Payments will not be made on photocopies or fax copies of invoices.
- (j) Payment will be made direct to the creditor or his/her bank.
- (k) The payment of the sums due from the Council shall be made by the Chief Finance Officer after entry on a Payments Listing.
- (l) Payments Listing shall be as follows:
 - (i) a weekly Payments Listing which shall be for routine payments;
 - (ii) an Urgent Payments Listing for payments not covered by sub-section 16 (a) above on a daily basis as required.

- (m) Payments shall be made within 30 calendar days of receipt of invoice unless agreed otherwise by the Chief Finance Officer.

18. Wages and Salaries

- (a) The payment of all salaries, wages, pensions and other emoluments and authorised payments to all employees or former employees of the Council shall be the responsibility of the Directors.
- (b) The Directors are responsible for initiating changes to the payroll shall maintain such records and supply certified and authorised information as may be necessary to ensure the prompt and accurate payment of salaries, wages, pensions and other emoluments.
- (c) Responsible officers shall notify the Directors as soon as possible, in the agreed form and manner of all matters affecting the payment of such emoluments and in particular:
 - (i) appointments, resignations, dismissals and transfers, changes in remuneration, other than normal increments and pay awards and agreements in general.
- (d) Responsible officers shall notify the Directors in respect of:
 - (i) absences from duty for sickness or other reason, apart from approved leave;
 - (ii) information necessary to maintain records of service for pensions, income tax, national insurance and the like.
- (e) Time sheets shall be certified by the Director of the service area concerned or certified by the appropriate delegated authorised officer.
- (f) All records relating to salaries, wages, social security, superannuation and income tax payments of the Council's employees shall be kept by the Directors who shall be responsible for the payment of such salaries and wages.

19. Stores

- (a) Each Director shall be responsible for the proper custody of stores held by him/her.
- (b) The accounts to be kept in connection with the receipt and issue of stores shall be in such form as shall be agreed with the Chief Finance Officer and shall be subject to his/her examination and check at such times as he/she thinks fit.
- (c) The Chief Finance Officer in conjunction with the Director concerned

shall make such arrangements for stock-taking as the Chief Finance Officer may deem necessary.

20. Security

- (a) Each Director shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc., under his/her control.
- (b) Maximum limits for cash holdings in accordance with insurance shall be agreed with the Chief Finance Officer and shall not be exceeded without his/her express permission.
- (c) Keys to safes and cash receptacles are to be carried on the person of those responsible at all times. The loss of any keys must be reported to the Chief Finance Officer forthwith.
- (d) Each Director shall be responsible for maintaining appropriate security measures to ensure against unauthorised access to, or alteration, disclosure or destruction of, personal data and against accidental loss or destruction of personal data in accordance with data protection legislation in force at any time.
- (e) The Chief Finance Officer shall be responsible for maintaining proper security and privacy of information held in the computer installation or for its use.

21. Travel and Subsistence Allowances etc.

- (a) Travel claim forms should be completed for each calendar month and submitted to the appropriate Director.
- (b) Claims for expenses (including rail fares) and subsistence must be accompanied by receipts showing VAT where applicable, and submitted to the appropriate Director.
- (c) Claims for mileage allowance will be paid with salary and not reimbursed through petty cash.
- (d) Claims must be authorised by the Director or appropriate delegated authorised signatory. Directors shall be responsible for ensuring that payment of travel and subsistence expenses are checked as valid and accurate prior to certification. Certification by or on behalf of the Director shall be taken to mean that the certifying officer is satisfied that the journeys made were authorised, the expenses properly and necessarily incurred, and that the allowances are properly payable by the Council.
- (e) All officers who use their private cars for official journeys shall indemnify the Council against claims from third parties and shall

produce their driving licence, insurance policies and/or renewal receipts as required by the Chief Finance Officer

- (f) Payments to councillors for travel or other allowances, in accordance with the appropriate statutory provisions, will be made by the Chief Finance Officer upon receipt of the prescribed form duly completed. Councillors are encouraged to submit claims on a monthly basis for expenditure to be accounted for within the appropriate month.

22. Irregularities

- (a) Where any officer has cause to suspect irregularity he/she shall inform his/her Director who will inform both the Chief Executive and the Chief Finance Officer and provide facilities for investigation to the Council's Auditors, as stated in the Whistle-Blowing Policy adopted by the Council.
- (b) Should it be considered that irregularity has occurred or is occurring, the Head of Paid Service, Chief Finance Officer or Monitoring Officer shall consider whether it is appropriate to inform the Leader and prepare a report for the Executive.

23. Grant applications and claims

- (a) All applications and claims for external grants up to a value of £50,000 made on behalf of the Council (whether capital or revenue) shall be approved by the relevant Director and notified to the Chief Finance Officer who, on confirmation of such funding, shall make the necessary amendments to the approved estimates.
- (b) ~~Proposals for new initiatives~~ Applications and claims with a value exceeding £50,000, which are to be funded by external grants shall be ~~subject to business case approval~~ approved by the Chief Finance Officer except where such initiatives will require additional funding (either capital or revenue) beyond that contained within the approved estimates.
- (c) Approval of the Executive with a report to the Council shall be required where grant funded initiatives will require additional funding (either capital or revenue) beyond that contained within the approved estimates.