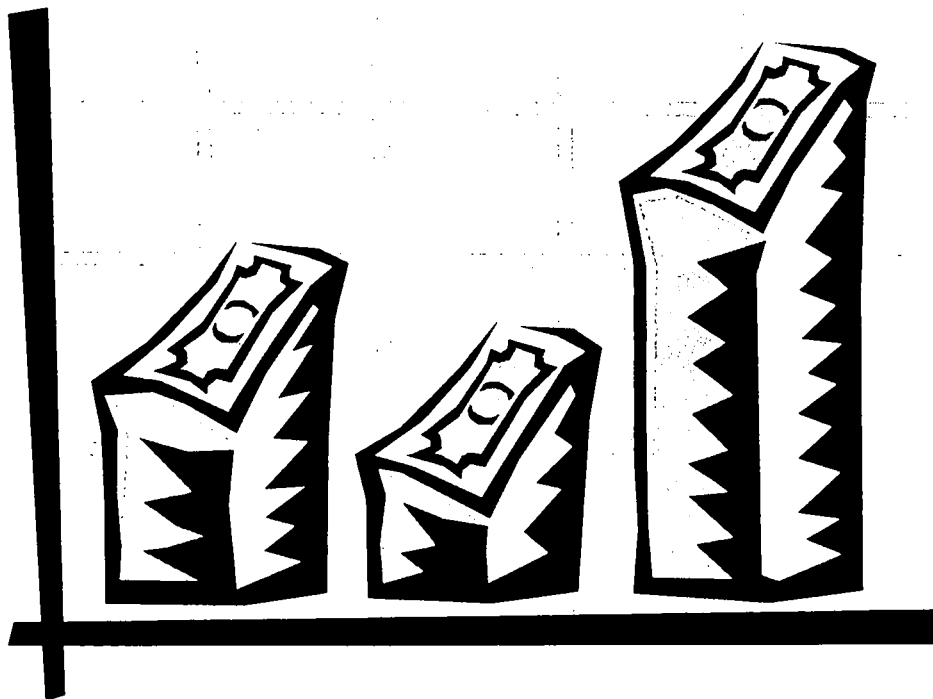


RUNNYMEDE BOROUGH COUNCIL

FINANCIAL REGULATIONS



Approved in June 2003

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About Financial Regulations

What are Financial Regulations?

- A.1 Financial Regulations are a set of rules that govern the financial affairs of the Council. They are approved by the Council and apply to every Member and Officer of the Authority and anyone acting on its behalf.
- A.2 The Regulations identify the financial responsibilities of the full Council, committees and overview and scrutiny members, the Head of Paid Service, the Monitoring Officer, the Director of Finance and other Chief Officers. 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.
- A.3 All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value. Compliance with Financial Regulations will help you to discharge this responsibility.

Finance Rule Book

- A.5 The Finance Rule Book sets out in more detail some of the procedures to which staff who manage budgets or carry out financial transactions need to adhere, although we try to avoid detailed prescription wherever possible. You must comply with both Financial Regulations and the Finance Rule Book.
- A.6 Financial Regulations and the Finance Rule Book are not comprehensive management handbooks. Other Council policies and procedures – dealing with staffing, project management, IT, etc. – are not included. Managers need to be aware of the requirements of all these policies and procedures.

How does this relate to Standing Orders For Contracts?

- A.7 Financial Regulations are complementary to the Council's Standing Orders For Contracts, which are about the systems and procedures for ordering goods and services. The Financial Regulations and the Finance Rule Book deal with the financial and control issues relating to the procurement of goods and services. There is also a simplified set of guidance notes on Standing Orders for Contracts. Copies of this can be obtained from the Committee Section.

What do Financial Regulations cover?

- A.8 The list on the Contents page tells you the subjects included. The Financial Regulations set out the financial management policies of the Council.
- A.9 Financial Regulations are not detailed procedure notes. Although the Finance Rule Book provides greater detail, it would require an enormous document to hold all the financial related procedures in the Council. You should retain your own set of procedure notes that fit in with the needs of your service.

What if something is not clear?

- A.10 The Director of Finance is responsible for issuing advice and guidance to underpin the Financial Regulations that Members, Officers and others acting on behalf of the authority are required to follow.
- A.11 If you are not clear what a Regulation means to your work area, or how to apply it, please ask for guidance. You can ask the Director of Finance, Assistant Treasurer, Chief Internal Auditor, or the Accountancy Section. All will be pleased to help. If you

do understand what is required, but think that the Financial Regulations are confusing, please let the Director of Finance know. We will try and make the rules simple to understand.

What if I don't agree with the Regulations?

- A.12** Please let us know. If the rules are stopping you providing a service in a business like manner we will ask the Council to change them. However, the rules are written to protect the Council, the public purse and you. You must have a good reason for suggesting a change.

What will happen if I don't comply?

- A.13** If it is minor non-compliance then you may just be asked to amend your work practices accordingly and correct the situation if appropriate. Otherwise, the rules in the Council's Disciplinary Procedure will come into play.

FINANCIAL MANAGEMENT

1. Financial Management - General

Status of Financial Regulations

- 1.1 These Financial Regulations are made by the Council pursuant to its Standing Orders and subject to the provisions of the Local Government Act 1972. They are the working arrangements whereby the Council's financial transactions are regulated in accordance with the powers and duties confirmed by the Council.
- 1.2 It is the responsibility of each Committee, Chief Officer and Budget Manager to ensure compliance with all the requirements of these Regulations.
- 1.3 These Regulations also apply to services carried out under Agency arrangements for any other Authority or organisation except where it is otherwise required by that Authority. Agents acting for the Council will be governed by these Regulations unless otherwise agreed by the Director of Finance.
- 1.4 Financial Regulations do not override any statutory provisions.

Roles and Responsibilities

- 1.5 The Articles of the Constitution (pages 5 to 25 of the Constitution of the Council) include details of the roles and responsibilities of the Council, Committees, the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer.
- 1.6 The Regulations must be read in conjunction with current schemes of delegation to Committees and Officers.

Responsibilities of the Director of Finance

- 1.7 The Director of Finance has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:
 - Section 151 of the Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Local Government and Housing Act 1989
 - The Accounts and Audit Regulations 2003.
- 1.8 The Director of Finance is responsible for:
 - the proper administration of the authority's financial affairs
 - setting and monitoring compliance with financial management standards
 - advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
 - providing financial information
 - preparing the revenue budget and capital programme
 - treasury management.
- 1.9 Section 114 of the Local Government Finance Act 1988 requires the Director of Finance to report to the full Council and the external auditor if the Authority or one of its Officers:
 - a) Has made or is about to make a decision which involves or would involve the Council incurring unlawful expenditure.
 - b) Has taken, or is about to take, a course of action which if pursued to its conclusion would be unlawful and likely to cause a loss or deficiency; or

c) Is about to enter an item of account, which is unlawful.

- 1.10 Section 114 of the 1988 Act also requires the Director of Finance to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally.
- 1.11 The Director of Finance is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the full Council for approval. The Director of Finance is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or to the Corporate Management Committee.

Responsibilities of Chief Officers

- 1.12 Chief Officers are responsible for ensuring that Committee members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Director of Finance
- 1.13 It is the responsibility of Chief Officers to consult with the Director of Finance and seek approval on any matter liable to affect the authority's finances materially, before any commitments are incurred.
- 1.14 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the authority's Financial Regulations and other internal regulatory documents and that they comply with them. A copy of the document will be available on the Council's internet and intranet sites.
- 1.15 Chief Officers shall control expenditure and income, monitor performance, and take the necessary action to avoid exceeding any budget. The Director of Finance shall provide appropriate financial information or the means by which budgets may be monitored effectively.
- 1.16 Where expenditure or income involves a contractual agreement with a third party, the Chief Officers must follow procedures laid down in Standing Orders for Contracts.
- 1.17 Chief Officers shall establish sound arrangements for the planning, appraisal, authorisation and control of their operations to ensure that economy, efficiency and effectiveness are achieved.
- 1.18 Chief Officers may nominate staff – called Budget Managers - to manage budgets on their behalf. This delegation does not in any way reduce the overall responsibilities of the Chief Officers. Budget Managers shall carry out their responsibilities in line with these Regulations and the Finance Rule Book.

Authorised Signatories

- 1.19 Chief Officers shall determine who is authorised to sign official documents on their behalf, and shall provide the Director of Finance with up-to-date lists of specimen signatures of authorised Officers. The Director of Finance will refuse to accept any document submitted where the authorising signature does not correspond to that notified.

2. Accounting Arrangements

Accounting policies

- 2.1 The Director of Finance is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting records and procedures

- 2.2 The Director of Finance is responsible for determining the accounting procedures and records for the Council. The Director of Finance will ensure that the accounting systems are observed and that the accounts of the Council and supporting records are kept up to date.

The annual statement of accounts

- 2.3 The Director of Finance is responsible for ensuring that the annual statement of accounts is prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)*.
- 2.4 The Corporate Management Committee is responsible for approving the annual statement of accounts.

Allocation of Accounting Duties

- 2.5 The following principles shall be observed in the allocation of accounting duties:
- (a) 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;
 - (b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

Subsidies and Grants Receivable

- 2.6 The Director of Finance will take such action and establish procedures to ensure that the Council's subsidy and grant entitlement are maximised.

Virement

- 2.7 The full Council is responsible for agreeing procedures for virement of expenditure between budget headings.
- 2.8 A Chief Officer may in consultation with the Director of Finance approve Virement between detailed heads of direct expenditure within each Revenue Budget.
- 2.9 The Director of Finance may approve Virements between Revenue Budgets up to £10,000. The Director of Finance will not normally exercise the power to approve virement unless reasonably satisfied that:
- (a) The proposed savings are achievable, and
 - (b) The additional expenditure will in fact arise and that the particular budget head will be overspent.
- 2.10 The Corporate Management Committee may approve Virements between Revenue Budgets from £10,000 to £50,000.

- 2.11 Any virement over £50,000 shall be the subject of a recommendation to full Council except where it is necessary to act as a matter of urgency in accordance with the Council's Standing Orders.
- 2.12 Any virement that has spending implications for future years will not be permitted without the specific approval of the Corporate Management Committee.
- 2.13 Savings on expenditure which are not within the control of individual Chief Officers e.g. capital charges, are not available for virement except at the discretion of the Corporate Management Committee
- 2.14 The virement of training budgets for any purpose other than training requires the express permission of the Corporate Management Committee.
- 2.15 Where the proposed virement involves a significant issue of principle, or a significant proportion of the original budget, the approval of the Corporate Management Committee is required.

Treatment of year-end balances

- 2.16 Within approved Revenue Budgets, carry forward of planned under-spending will be allowed in consultation with the Director of Finance. A schedule of budgets carried forward will be presented to the Corporate Management Committee by June in the new financial year.

FINANCIAL PLANNING

3. Financial Planning - General

Introduction

- 3.1 The full Council is responsible for agreeing the authority's policy framework and budget, which will be proposed by the Corporate Management Committee. In terms of financial planning, the key elements are:
- the Financial Forecast
 - the Budget
 - the Capital Programme.

Policy Framework

- 3.2 The full Council is responsible for approving the policy framework and budget. The policy framework comprises the plans and strategies identified in Article 4 of the Council's Constitution (page 9).
- 3.3 The full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.

Maintenance of Reserves

- 3.4 It is the responsibility of the Director of Finance to advise the Corporate Management Committee and/or the full Council on prudent levels of reserves for the authority.

Financial Forecast

- 3.5 The Director of Finance shall maintain, in consultation with the Chief Officers, a forward Financial Forecast. The Financial Forecast will show the financial implications of changes in Council policy, legislation, service levels, activity and other factors for at least five years ahead. The Forecast is intended to fulfil the reporting requirements of the Code of Practice on a Prudential Approach to Local Authority Commitments and will show, in summary, the estimated impact of future spending plans on the General Fund and the Housing Revenue Account.
- 3.6 In order that the information requirements of the Financial Forecast are satisfied, reports to Committees with significant financial implications shall show the full year effect of the proposals and the implications for at least the next five financial years.
- 3.7 The Financial Forecast is to be presented to the Corporate Management Committee by the Director of Finance no later than November each year.

Review and Notification to the Director of Finance

- 3.8 Chief Officers and Budget Managers must continually review the financial implications of changes in policy and other factors, and must notify the Director of Finance promptly of the impact on current and future budgets.

4. Revenue Budget Preparation

Budget format

- 4.1 The general format of the budget will be approved by the Corporate Management Committee on the advice of the Director of Finance.
- 4.2 The detailed form of the revenue estimates shall be determined by the Director of Finance and must be consistent with the general directions of the Corporate Management Committee.

Budget preparation

- 4.3 Chief Officers shall prepare estimates of income and expenditure reflecting agreed service plans in consultation with the Director of Finance in accordance with guidelines issued by the Corporate Management Committee.
- 4.4 The Director of Finance shall report on the estimates to the appropriate policy committees. They shall in turn report to the Corporate Management Committee who shall submit the estimates to the Council with such recommendations as are deemed necessary.
- 4.5 The Director of Finance shall advise the Corporate Management Committee and other committees as necessary on budget matters.
- 4.6 Chief Officers shall supply the Director of Finance with such information as is necessary to support the estimates.

Budget Timetable

- 4.7 The Director of Finance will prepare a budget timetable each year. All budget submissions shall be made in accordance with the timetable.

5. Revenue Budget Control

Budget monitoring and control

- 5.1 It is the responsibility of each Chief Officer to manage and direct resources to achieve the objectives of the budget. This involves the monitoring of expenditure and income and the regular review of performance. Where budgets are delegated to Budget Managers they are charged with the same responsibility.
- 5.2 Once approved by the Council, the revenue budget will give authority for expenditure to be incurred in the appropriate year unless:
- (a) It would cause the appropriate budget head to be overspent,
 - (b) It is a long-term financing agreement that will have implications for Government capital controls in which case the Director of Finance must be consulted.
 - (c) It is a contingency sum requiring the approval of the relevant committee before expenditure is incurred.
- 5.3 The Director of Finance is responsible for providing appropriate financial information to enable budgets to be monitored effectively.
- 5.4 The Director of Finance must report to the Corporate Management Committee on the overall position on a regular basis.

New Services and Extension of Service Provision

- 5.5 Any proposal to incur expenditure relating to the adoption of a new policy or extension of an existing policy not already sanctioned by the Council, must be accompanied by a report prepared by the Director of Finance to the Corporate Management Committee on the financial aspects of the proposal.
- 5.6 Proposals which commit future budgets to a level of expenditure greater than that provided for in the current year shall be reported to the Corporate Management Committee and clearly to show the total level of future annual commitment.

Supplementary Estimates

- 5.7 A supplementary estimate shall be sought from the Corporate Management Committee before incurring any expenditure or initiating an event that involves a loss of income over £1,000 that is not covered either in the annual estimates or by a special financial provision. Any such proposal under £1,000 is expected to be met from within the overall budget provision for the year.
- 5.8 Expenditure may be authorised in an emergency by the Director of Finance with the agreement of the Chairman of the relevant Committee and shall be reported to the next meeting of that Committee. This procedure will only be adopted if the emergency does not provide sufficient time to follow the urgent action procedure described in 5.11.
- 5.9 Where it is apparent that any budget for a service may be exceeded (or there will be a shortfall of income) the appropriate Chief Officer must prepare a written report setting out the reasons and proposing how the shortfall may be met, and submit it to the Director of Finance. The Director of Finance will advise on the action to be taken, which may include proposals for report to Committee, virement or request for supplementary estimate. The request for a supplementary estimate should also state that no acceptable virement has been identified.

- 5.10 The Corporate Management Committee is authorised to approve requests for supplementary revenue estimates not exceeding £50,000 without submission to the Council. Full Council must approve any supplementary estimate over £50,000.

Urgent Action (Standing Order 42 procedures)

- 5.11 Where it is proposed to seek a supplementary estimate under the "Urgent Action" rules in the Council's Standing Orders or the "Urgent Action" proposal has any other financial implication, the appropriate Chief Officer must consult with the Director of Finance who will advise on the action to be taken. The consultation with the Director of Finance must take place prior to seeking the approval of the relevant Committee Chairman.
- 5.12 Further guidance on the Urgent Actions procedures to be followed is contained in the Finance Rule Book.

6. Capital Programme

Preparation of the capital programme

- 6.1 The Director of Finance is responsible for maintaining a rolling capital programme and that this is reported at least annually for consideration by the Corporate Management Committee before submission to the full Council.
- 6.2 The programme will include spending plans for at least the ensuing five years. The detailed form of the programme shall be determined by the Director of Finance and must be consistent with the general directions of the Corporate Management Committee.
- 6.3 Projects that are reliant on the receipt of government or other third party funding, including grants from the National Lottery, must follow the normal capital programme procedures.

New Capital Schemes

- 6.4 New capital schemes shall only be included in the capital programme following the appraisal and approval process set out in the Council's Capital Strategy.

Status of Capital Programme Approval

- 6.5 Inclusion in the Capital Programme does not of itself confer authority to incur expenditure before:
- (i) The programme Committee has approved a project appraisal in accordance with the procedures set out in the Capital Strategy and the Asset Management Plan;
 - (ii) The Corporate Management Committee has approved a capital estimate for the project and a project appraisal form has been approved by the Director of Finance;
 - (iii) A tender or quotation has been received which does not exceed the amount included in the programme and any other relevant cost limits;
 - (iv) All necessary statutory approvals have been received.

Variations to Capital Projects

- 6.6 The size, content or specification of a scheme shall not be significantly changed without the approval of the relevant policy committee.

Monitoring of Progress

- 6.7 A Chief Officer who becomes aware that the estimated cost of a capital scheme for which he/she is responsible is likely to be exceeded in total by 10 per cent or £25,000, whichever is the less, shall report the likelihood to the next meeting of the Committee supervising the scheme and the Corporate Management Committee stating the amount of the excess anticipated and the reason.

RISK MANAGEMENT & CONTROL OF RESOURCES

7. Risk Management

Introduction

- 7.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the authority. This should include the proactive participation of all those associated with planning and delivering services.

Risk management

- 7.2 The Standards and Audit Committee is responsible for approving the authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Director of Finance is responsible for ensuring that proper insurance exists where appropriate.
- 7.3 The Director of Finance is responsible for preparing the authority's risk management policy statement, for promoting it throughout the authority and for advising the Corporate Management Committee on proper insurance cover where appropriate.

Internal control

- 7.4 The Director of Finance is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use. In addition, the Monitoring Officer has statutory responsibilities to report on prospective breaches of the law or maladministration.
- 7.6 It is the responsibility of Chief 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.

Preventing fraud and corruption

- 7.7 The Council is responsible for approving an anti-fraud and anti-corruption policy. The Director of Finance is responsible for the development and maintenance of the policy and submitting it for approval.

Staffing

- 7.8 The full Council is responsible for determining how officer support for Committee roles within the authority will be organised.
- 7.9 The Head of Paid Service is responsible for providing overall management to staff. The Head of Paid Service is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- 7.10 Chief Officers are responsible for controlling total staff numbers by:
- advising the Corporate Management Committee on the budget necessary in any given year to cover estimated staffing levels

- adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- the proper use of appointment procedures.

Security of Assets and Information

- 7.11 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.
- 7.12 Chief Officers shall be responsible for maintaining proper security and privacy of information contained in the financial and other records under their control. This includes information held on the computer in accordance with the principles of the Data Protection Act and other relevant legislation.

8. Insurance

Review of Arrangements

- 8.1 The Council shall review its insurance arrangements at least every five years and submit its requirements to competitive tender.

Review of Insurance Cover

- 8.2 The Director of Finance shall keep under review all insurance cover in consultation with other Chief Officers as appropriate.

Records of Insurance Cover

- 8.3 The Director of Finance shall maintain records of all insurance placed by the Council, showing the property and/or risks covered.

Notification of Risks

- 8.4 Chief Officers must give prompt notification to the Director of Finance of all new risks, properties or vehicles that require to be insured and of any alterations affecting existing insurance.
- 8.5 Chief Officers shall give prompt notification in writing to the Director of Finance of any loss, liability, damage or any event which may result in a claim against the Council, or in a claim by the Council under a policy of insurance or otherwise.

Negotiation of Claims

- 8.6 The Director of Finance shall negotiate all claims in consultation with other officers as necessary.
- 8.7 The Director of Finance shall have authority to make payments on behalf of the Council's insurers and to make ex-gratia payments up to the sum of £500 for any single claim.

Fidelity Guarantee Policy

- 8.8 All appropriate employees of the Council shall be included in a suitable fidelity guarantee policy.

9. Audit

Audit requirements

- 9.1 The Accounts and Audit Regulations 2003 require every local authority to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.
- 9.2 The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- 9.3 The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Customs and Excise and the Inland Revenue, who have statutory rights of access.

Provision of Internal Audit

- 9.4 The Director of Finance shall maintain an adequate and effective system of internal audit to satisfy the Council's responsibilities in 9.1. The audit shall be performed, as far as practicable, to the standards set out in the "Statements on Internal Audit practice - Public Sector" published by the Chartered Institute of Public Finance and Accountancy and the Institute of Auditors' guidelines. Unless the Council decide otherwise, the Chief Internal Auditor shall head this function.
- 9.5 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Powers of Internal Auditors

- 9.6 To assist in complying with the requirements of Regulation 6 of the Accounts and Audit Regulations 2003, the Director of Finance or his authorised representative shall have authority to:
- a) Enter at all reasonable times on any Council premises or land.
 - b) Have access at all times to all records, documents and correspondence relating to any financial and other transactions of the Council, whether held by employees of the Council or by Consultants' employees under a contract for professional services.
 - c) Require and receive such explanations as are necessary concerning any matter under examination.
 - d) Require any employee of the Council to produce cash, stores or any other Council property under his control.

Reporting of Irregularities

- 9.7 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 Officer concerned shall immediately notify the Director of Finance. The Director of Finance shall take such steps as considered necessary by way of investigation and report. This regulation does not relieve any Chief Officer from giving similar notification to the Chief Executive Officer who may consider any legal and/or disciplinary implications.

Annual Report on Internal Audit

9.8 At least once a year a report shall be presented to the Standards and Audit Committee reviewing the internal audit coverage undertaken during the previous year and the audit plan for the forthcoming year.

Chief Internal Auditor

9.9 A minimum requirement for holding the post of Chief Internal Auditor shall be that the post holder is a fully qualified member of one of the following bodies: -

- a) An Institute that is a member of the Consultative Committee of Accounting Bodies (CCAB):
- b) The Institute of Internal Auditors

10. Control of Assets

Use of Council Property

- 10.1 The Council's property must only be used in accordance with the ordinary course of the Council's business. Any other use can only be made in accordance with specific directions issued by the Chief Officer concerned.

Terrier of Property

- 10.2 The Director of Administration and Leisure will maintain an up to date register of all properties owned by the Council (except dwellings provided under the Housing Acts) in a form approved by the Director of Finance. The register shall record the purpose for which held, location, extent, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.
- 10.3 The Director of Housing and Community Services shall be responsible for maintaining an up to date record of all properties acquired under the Housing Acts, including properties held under the Council's DIYSO scheme. The record will include sufficient details of the properties concerned (e.g. address, size, date of construction etc.) for all government returns and management information requirements.
- 10.4 The Director of Administration and Leisure shall have the custody of all title deeds under secure arrangements.

Inventories

- 10.5 Chief Officers shall maintain up to date inventories of the Council's furniture, fittings and equipment, and plant and machinery that has a significant value. The care and custody of such equipment shall be the responsibility of the Chief Officers concerned.
- 10.6 The Information Systems Manager shall maintain a complete and up to date inventory of all Information Technology equipment.

Stocks and Stores

- 10.7 Chief Officers shall be responsible for the care and custody of the stocks and stores in their department. Stocks shall be kept at the optimum level sufficient to provide an effective service.

Responsibility for Security

- 10.8 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment cash, etc., under his control. The Director of Finance must be consulted where security is thought to be defective or where it is considered that special security arrangements may be needed.

Cash Holdings

- 10.9 Maximum limits for each cash holding shall be agreed with the Director of Finance and shall not be exceeded without his express permission.

11. Treasury Management and Trust Funds

Treasury Management Policy

- 11.1 The Council shall adopt the key recommendations contained in the CIPFA publication "Treasury Management in the Public Services; Code of Practice" (the Code).
- 11.2 The Council will create and maintain, as the cornerstones for effective treasury management:
- A treasury management policy statement, stating the policies and objectives of its treasury management activities
 - Suitable treasury management practices, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 11.3 The Council 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, and an annual report after its close, in the form prescribed in its treasury management practices.
- 11.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Corporate Management Committee, and for the execution and administration of treasury management decisions to the Director of Finance, who will act in accordance with the Council's policy statement and treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.

Treasury Policy Statement

- 11.5 The content of Treasury Policy Statement will follow the recommendations contained in Section 6 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Any such amendments will not result in the Council materially deviating from the Code's key recommendations

Treasury Management Practices

- 11.6 The content of treasury management practices will follow the recommendations contained in Section 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Any such amendments will not result in the Council materially deviating from the Code's key recommendations.

Reporting on Treasury Management Activities

- 11.7 Before the start of the financial year the Director of Finance shall report to the Corporate Management Committee on the strategy for treasury management it is proposed to adopt for the forthcoming financial year.
- 11.8 The Director of Finance shall report to the Corporate Management Committee not less than once in each financial year on the activities of the Treasury Management operation and on the exercise of Treasury Management powers delegated to him. One such report shall comprise an Annual Report on Treasury Management for presentation by 30th September of the succeeding financial year.

Trust Funds

- 11.9 All trust funds shall be in the name of the Council unless specifically approved by the Council otherwise.

- 11.10 All Officers acting as trustees by virtue of their official position shall deposit all securities etc. relating to the Trust with the Director of Administration and Leisure unless the deed otherwise provides.

Investments and Borrowings Records

- 11.9 The Director of Finance shall make all borrowings and investments in the name of the Council, except where and to the extent the Council has authorised its investments to be invested by an outside agent.
- 11.10 The Director of Finance shall maintain a register of loans and investments and records of all borrowings and investments made by the Council.
- 11.11 All negotiable investments, financial bonds and securities held in the name of the Council or its nominees shall be held under secure arrangements.
- 11.12 The Council's Treasury Management Procedures must be followed at all times.

SYSTEMS AND PROCEDURES

12. Systems and Procedures - General

Introduction

- 12.1 Sound systems and procedures are essential to an effective framework of accountability and control.

Responsibility

- 12.2 The Director of Finance is responsible for the operation of the authority'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 Director of Finance. However, Chief Officers are responsible for the proper operation of financial processes in their own departments.
- 12.3 Any changes to agreed procedures by Chief Officers to meet their own specific service needs should be agreed with the Director of Finance.

Training

- 12.4 Chief Officers should ensure that their staff receive relevant financial training that has been approved by the Director of Finance.

Data Protection and Freedom of Information Legislation

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

Schemes of Delegation

- 12.6 It is the responsibility of Chief Officers to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on the Chief Officer's behalf in respect of payments, income collection and placing orders, together with the limits of their authority.

Trading accounts/business units

- 12.7 It is the responsibility of the Director of Finance to advise on the establishment and operation of trading accounts and business units.

13. Banking Arrangements and Cheques

Banking Arrangements

- 13.1 The Council shall review its banking arrangements at least every 5 years.
- 13.2 All arrangements with the Council's bankers must be made by or under arrangements approved by the Director of Finance who is authorised to operate such banking accounts, including National Giro Accounts, as he may consider necessary.
- 13.3 Unless otherwise agreed by the Director of Finance, all Council bank accounts shall stand in the name of the Runnymede Borough Council, but in any case not in the name or designation of any officer.

Bank Stationery

- 13.4 All cheques, National Giro payment forms and other debit and credit forms shall be ordered only on the authority of the Director of Finance, who shall make proper arrangements for their safe custody.

Signing of Cheques

- 13.5 Cheques on the Council's banking accounts shall bear the facsimile signature of the Director of Finance or be signed by the Director of Finance or other officer authorised to do so.

Electronic Payment Systems

- 13.6 Where payments are to be transmitted electronically, the Director of Finance shall approve the necessary arrangements to safeguard the Council against potential loss.

Authorisation of Payments

- 13.7 All payments in excess of £25,000 shall be countersigned by an authorised officer.
- 13.8 Only those Officers identified in the Council's Treasury Management Procedures are authorised to make payments from the Council's accounts or otherwise approve the transmission of funds. Treasury Management Procedures must be followed at all times.

14. Income

Charging Policy

- 14.1 The Council's charging policy shall be determined by the Corporate Management Committee.

Review of Charges

- 14.2 The appropriate Chief Officer shall review charges at least once a year. Such charges shall then be submitted to the relevant Committee for approval, except where delegated authority shall otherwise provide. The financial implications of such reviews shall be reflected in the estimates for the forthcoming financial year.

Collection of Moneys

- 14.3 The collection of all money due to the Council shall be under the supervision of the Director of Finance or under arrangements specifically approved by the Director of Finance.

Security and Controls

- 14.4 Each Chief Officer is responsible for the regular review of their department's internal procedures for collecting and controlling income to ensure that the most effective controls are used.

Notification of Income Due

- 14.5 Each Chief Officer shall inform the Director of Finance promptly with such particulars of all amounts due as may be required by him to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due. This shall include details of all contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The Director of Finance shall have the right to inspect any documents or other evidence in this connection.

Recovery of Debts

- 14.6 Chief Officers shall ensure that debts due to the Council are referred to the Director of Finance for recovery without delay.
- 14.7 The Director of Finance shall take all reasonable steps to recover amounts due to the Council, including the appointment of Bailiffs or other collection agencies.
- 14.8 The Director of Finance is authorised to initiate County Court proceedings and sign the appropriate forms for the recovery of sundry debts.
- 14.9 With the exception of outstanding Council Tax and Business Rates, all outstanding debts which have been initiated in the County Court but which are being contested shall be referred to the Director of Administration and Leisure who shall take all reasonable steps to recover them.

Writing Off Debts

- 14.10 A debt that is properly due to the Council shall only be reduced or written off as irrecoverable on the authority of: -
- (i) The Director of Finance for debts up to £1,000, and
 - (ii) The Corporate Management Committee for debts over £1,000,

Provided that they are satisfied that the debt is not recoverable at reasonable effort and expense.

- 14.11** A record of all amounts written off shall be maintained by the Director of Finance and shall be kept up to date at all times.

15. Orders for Work, Goods and Services

Key Controls

- 15.1 Orders shall only be issued for goods or services if the cost is covered by an approved annual, supplementary, or capital estimate.
- 15.2 All orders must comply with the Council's Standing Orders for Contracts and the guidelines set down in the Council's procurement strategy.
- 15.3 Official orders must be issued for all work, goods or services to be supplied to the Council except for instances listed in the Finance Rule Book and such other exceptions as the Director of Finance may approve.

Official Orders

- 15.4 Official orders shall be in a form approved by the Director of Finance and are to be signed only by staff approved by the appropriate Chief Officer. They shall include any contractual requirements set out in Standing Orders for Contracts.
- 15.5 Each order shall conform to directions regarding central purchasing and the standardisation of supplies and materials.
- 15.6 A copy of each order shall be retained by the responsible officer and shall show the cost or estimated cost of the work or goods and the relevant application. The copy may be kept in paper form or in an electronic form subject to the agreement of the Director of Finance.
- 15.7 Telephone, facsimile transfer ("fax") or verbal orders shall be confirmed as soon as practicable by official orders that clearly show that they confirm instructions previously issued.
- 15.8 Official orders must only be used for legitimate Council business. They must not be used for the procurement of goods, materials or services for the personal or other use of an employee, nor must personal or private use be made of Council contracts.

Variation of Orders

- 15.9 Variations to Official Orders must be confirmed as soon as practicable in writing with a reference to the original Official Order.

Staff Purchase Scheme

- 15.10 Staff who wish to procure goods for their own use must comply with the instructions of the Council's IS Manager (for IT consumables) or the Council's Stores Supervisor (for general items).

Related Party Transactions

- 15.11 Any Officer who is in a position to influence the award of a contract or the placing of an order must disclose if a transaction will involve an individual or company with whom they have a relationship.
- 15.12 No-one employed by the Council should enter into a contract with the Council, either as an individual or as a company, other than through their employment contract unless otherwise approved by the Chief Executive Officer

16. Paying for Work, Goods and Services

Method of Payment

- 16.1** Apart from petty cash and other payments from imprest accounts, the normal method of payment of money due from the Council shall be by cheque, BACS or other instrument drawn on the Council's banking accounts by the Director of Finance.

Certification of Invoices

- 16.2** Chief Officers are responsible for examining, verifying and certifying invoice(s) and any other payment vouchers arising from activities in their department. Such certification, by or on behalf of the Chief Officer, shall be in manuscript or by an electronic method approved by the Director of Finance. The names of officers authorised to sign such records shall be sent to the Director of Finance by each Chief Officer together with specimen signatures and shall be amended on the occasion of any change.

Examination of Invoices

- 16.3** Invoices and other payment vouchers shall be passed without delay to the Director of Finance who shall examine them to the extent that is considered necessary, for which purpose he shall be entitled to make such enquiries and to receive such information and explanations as may be required. Where the Director of Finance is satisfied that a certified account has not fully complied with the Council's Standing Orders for Contracts or Financial Regulations, it shall be returned to the certifying officer requesting an explanation. In the event that no satisfactory explanation is forthcoming, the Director of Finance shall report on the circumstances to the Corporate Management Committee.

Prompt Payment Policy

- 16.4** Chief Officers shall take all reasonable steps necessary to ensure that the Council's prompt payment policy is complied with. The policy set out below.

Prompt Payment Policy

"Our policy is to:

- Send your payment by cheque or BACS in accordance with the payment terms agreed with you
- Where there are no agreed terms we will send you payment by cheque or BACS within 30 days of receiving a valid invoice from you
- Notify you within 14 days if we disagree with your invoice
- Not extend or alter payment terms without prior agreement from you
- Publish information which shows our performance against the 30 day target, and give reasons for any non-performance in our Annual Report

If you have reason to complain you have the right to use our complaint procedure. A leaflet explaining the procedure is available from the Civic Offices (telephone 01932 838383)."

17. Payments to Employees and Members

Responsibility

- 17.1 The Director of Finance is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to Members.

Payment of Salaries and Wages

- 17.2 The payment of all salaries, wages, pensions, compensations and other emoluments to all employees or former employees of the Council shall be made under arrangements approved and controlled by the Director of Finance.
- 17.3 The Personnel Officer shall notify the Director of Finance as soon as possible of all matters affecting the payment of salaries and wages, and in particular:
- (a) Appointments, (both permanent and temporary), resignations, dismissals, suspensions, secondments, and transfers;
 - (b) Absences from duty for sickness or other reason, apart from approved leave;
 - (c) Changes in remuneration;
 - (d) Information necessary to maintain records of service for pensions, income tax and National Insurance.

Appointment of Staff

- 17.3 Appointments of all employees shall be made in accordance with the Personnel Policies and Procedures of the Council and the approved establishments, grades and rates of pay.

Variations to the Establishment

- 17.4 Any proposal to vary the authorised establishment shall be made in accordance with the Personnel Policies and Procedures approved by the Council.

Time Sheets and other Records

- 17.5 The format of all time records and other pay documents must be approved by the Director of Finance.

Claims for Staff Expenses

- 17.6 All claims for payment of car allowances, training expenses, subsistence allowances, travelling and incidental expenses shall be submitted to the Director of Finance, duly certified in a form approved by the Director of Finance, by a specified date in each month.
- 17.7 The certification by or on behalf of the Chief Officers shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

Payments to Members

- 17.9 Payment to Members shall be in accordance with the Council's Scheme of Members' Allowances.
- 17.10 Payment to co-opted members entitled to claim travelling and/or other allowances, will be made by the Director of Finance upon receipt of the prescribed form duly completed.

18 Taxation

Responsibility

- 18.1** The Director of Finance is responsible for advising Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority.
- 18.2** The Director of Finance is responsible for maintaining the authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
- 18.3** The Director of Finance shall be responsible for all communications with the Inland Revenue and HM Customs and Excise for all matters relating to taxation. The Director of Finance shall maintain records and accounts sufficient to meet the obligations of the collection agencies.
- 18.4** The Director of Finance shall report any significant changes relating to the Council's tax affairs to Corporate Management Committee.
- 18.5** The Director of Finance shall be responsible for creating and maintaining an awareness of the importance of effective tax accounting across the whole organisation, and especially among those responsible for the processing of transactions.
- 18.6** The Director of Finance shall put into practice the professional standards imposed by the CIPFA Institute Statement on Tax Management.
- 18.7** The Director of Finance shall issue instructions and manuals as appropriate.

Appointment of Advisors

- 18.8** The Director of Finance shall appoint professional advisers where considered necessary to resolve any taxation issues.

Property Transactions

- 18.9** The Director of Finance shall be informed of all proposed acquisitions, disposals, rentals and leasing of property at the planning stage and shall advise on the taxation implications accordingly.

LOCAL GOVERNMENT ACT 2000 MEMBER WORKING GROUP

Minutes

Monday 17 March 2003, 7:30 pm

Present:

Cllr G Woodger
Cllr J Edwards
Cllr J Ashmore
Cllr Mrs E Price
Cllr R Pate
Cllr E Barrett
Cllr P Tuley
Cllr N Thewlis
Cllr C Norman

Officers:

T N Williams, Chief Executive Officer
A Pearson, Director of Administration
and Leisure
R Warren, Policy Officer

Apologies:

None

		Action
1.	Notes of last meeting The minutes of the last meeting, held on 29 January 2003 were agreed as an accurate record of proceedings.	
2.	Confirmation from Party Groups as to Membership The group confirmed that the members present plus Cllr R Habgood would make up the Working Group for the coming municipal year. This was based on the 6-2-2 balance of the three main party groups.	
3.	Date for first Member Briefing - 01.04.03 The group agreed the date for the first briefing. TW and RW would be writing to all Members inviting them to the briefing.	TW
4.	Future date for briefings/workshops etc TW outlined the process up until the CPA inspection in December 2003. This was also outlined in the previously distributed timetable of meetings. The group agreed the proposed timetable and the associated measures to prepare Members for the pending CPA.	

5.	<p>Likely consultation paper from Audit Commission on CPA</p> <p>At the time of the meeting, the methodology hadn't been published. After contacts with the Audit Commission, the publication date was anticipated to be the end of March/early April.</p> <ul style="list-style-type: none"> According to a number of pathfinder Councils there had been major revisions to the original methodology, mainly to the two diagnostic areas of inspection. <p>There had been no further comment from the LGA on the issue, and Officers were now awaiting the final versions of the CPA methodology for District Councils.</p>	
6.	<p>Feedback from West Sussex pilot</p> <p>There had been no definitive feedback from the West Sussex Councils. However, GW agreed to make contact with the Leaders of Arun, Horsham and Chichester, to gain some appreciation of their experiences during the recent inspection process.</p>	GW
7.	<p>Schedule of review/scrutiny/improvement areas</p> <p>A schedule had been distributed with the agenda. It outlined a number of areas which officers were working on, ensuring that tasks were being achieved. Where this wasn't the case, recovery mechanisms were being put in place to correct the situation.</p>	
8.	<p>Mechanisms for ensuring that items are considered at Full Council</p> <p>The group debated the issues regarding this, which had been raised as part of a consultation on Air Transport in the South-East, which was being considered as part the March Economic Development Committee.</p> <p>The group agreed that 30% of the committee would be needed to force the issue to be referred at Full Council. AP would draw up a draft amendment to the constitution for further consideration at the following Committee meeting.</p>	AP
9.	<p>AOB</p> <p>There was no other business raised.</p>	
10.	<p>Date of Next Meeting</p> <p>The next meeting will be held on Wednesday 14 May 2003 at 7:30 pm. A venue will be confirmed in due course.</p> <p>Main business: Draft Best Value Performance Plan 2003/04.</p>	