

# Part 4F

## FINANCIAL REGULATIONS

### GENERAL

#### FR1

- 1.1 These Financial Regulations are made pursuant to the Local Government Act 1972 Section 151 the Accounts and Audit Regulations 2003 (as amended) and all other enabling powers.
- 1.2 These Financial Regulations shall come into force on 5th December 2007.
- 1.3 In these Financial Regulations:
  - 1.3.1 'approved' means either signed in writing or approved electronically by secure means;
  - 1.3.2 'authorised officer' means an Officer authorised by the Director of Resources or Head of Service for the purposes of these Financial Regulations or such of them as may be determined;
  - 1.3.3 'budget holder' means the relevant Head of Service or other officer authorised by such Head of Service to supervise a budget;
  - 1.3.4 'Committee' means an ordinary committee of the Council
  - 1.3.5 'Head of Service' means those officers so described in Part 3 of the Council's Constitution;
  - 1.3.6 'relevant Head of Service' means the Head of Service to whom authority to act has been given by the Council, the Executive or Committee of the Executive, a Committee or Sub-Committee whether by express resolution or under the Scheme of Delegation to Officers.
- 1.4 The names of officers authorised to certify or sign documents under these Financial Regulations shall be sent to the Director of Resources by each budget holder together with specimen signatures and shall be amended on the occasion of any change.
- 1.5 Nothing in these Financial Regulations shall prejudice the validity of any actions taken before 5th December 2007 under any previous Financial Regulations.



## BUDGET PREPARATION

### FR2

- 2.1 Each year the Heads of Service shall in accordance with a timetable prescribed by the Director of Resources commence the budget process by:
- 2.1.1 reviewing existing income and expenditure commitments;
  - 2.1.2 identifying any areas for budgetary growth or reduction;
  - 2.1.3 reviewing sources and projections of income;
- and proposing to the Director of Resources items for inclusion in the draft budget.
- 2.2 In proposing items for inclusion in the draft budget the Heads of Service shall have regard to:
- 2.2.1 any financial strategy adopted by the Council;
  - 2.2.2 the Community Strategy;
  - 2.2.3 other strategies approved by the Council;
  - 2.2.4 prescriptions, restrictions or guidelines issued by Government Departments;
  - 2.2.5 guidelines issued by the Council, the Executive or the Director of Resources;
  - 2.2.6 any pay award to the Council's staff already made;
  - 2.2.7 any likely pay award to staff;
  - 2.2.8 any change in the level of members' allowances already sanctioned by the Council;
  - 2.2.9 any likely change in members' allowances;
  - 2.2.10 opportunities for reducing costs;
  - 2.2.11 opportunities for increasing income;
  - 2.2.12 changes in fee income already sanctioned or prescribed by statute or Government Department;



2.2.13 changes in costs already established by statute or the action of Government Departments;

2.2.14 the outcome of internal and external consultation;

2.2.15 any timetable prescribed by the Director of Resources for the submission of items for inclusion in the draft budget.

## **DRAFT BUDGET**

### **FR3**

3.1 The Director of Resources shall produce a report for the Executive setting out proposals for a draft budget which shall include all items relating to revenue, capital and repairs and renewals, including an estimate of the revenue charge for the financial year to which the item relates and an indication of whether the item of income or expenditure is recurring.

### **FR4**

4.1 Each year as part of the budget report the Director of Resources shall present a financial forecast for the year following the budget year of the Council's commitments based on levels of service and efficiency and reflecting also decisions already taken on new commitments.

### **FR5**

5.1 The Executive shall on or before 1st March in each year, consider and have regard to a report from the Director of Resources concerning the draft budget and submit to the Council:

5.1.1 its recommended draft budget;

5.1.2 its recommendations as to the Council tax necessary to meet the Council's expenditure;

5.1.3 its proposals for financing the Council's proposed capital expenditure;

5.1.4 a statement of the requirements of precepting authorities;

5.1.5 the statutory calculations.

## **APPROVAL OF BUDGET AND EXPENDITURE**

### **FR6**

6.1 The Council shall meet annually, not later than the 8th March, for the purposes of approving the draft budget as recommended by the Executive



determining the Council tax to be levied for the ensuing financial year and the dates of instalments by which the Council tax is to be payable and the Council's borrowing and investment strategy.

## FR7

- 7.1 Subject to FR8 or except where the Council otherwise determines in accordance with FR9 the approval by the Council of the draft budget shall entitle the Executive, relevant Committee, relevant Head of Service or budget holder to expend such approved sums.

## FR8

- 8.1 Subject to FR8.2 no capital expenditure shall be incurred in respect of any item until specific approval has been given by the Executive to the purpose and amount of the expenditure following consideration of a report by the relevant Head of Service agreed with the Director of Resources including:

8.1.1 the estimated total cost of the project, including provision for inflation, fees, salaries and incidentals;

8.1.2 the estimated annual cost of maintenance, debt charges (if any) and other revenue expenditure, and estimated annual income;

8.1.3 details and the estimated cost of any consequential or incidental works;

8.1.4 details of the proposed use and a scheme of management of the project after completion, including changes in the manpower establishment;

8.1.5 details and the cost of any works to be superseded;

8.1.6 details and estimates of any capital receipts which may be anticipated.

- 8.2 No specific approval shall be required under FR8.1 where:

8.2.1 the information specified in FR8.1.1 to 8.1.6 was taken into account when the budget was approved; or

8.2.2 none of the information specified in FR8.1.1 to 8.1.6 is relevant to the capital expenditure proposed; or

8.2.3 the only information specified in FR8.1.1 to 8.1.6 relevant to the capital expenditure proposed is loss of interest and that item was taken into account when the budget was approved.



## FR9

- 9.1 The Council may determine that no expenditure shall be incurred in respect of an item until specific approval has been given by the Executive to the purpose and amount of the expenditure following consideration of a report by the relevant Head of Service including:
- 9.1.1 the estimated total cost of the project, including provision for inflation, fees, salaries and incidentals;
  - 9.1.2 the estimated annual cost of maintenance, debt charges (if any) and other revenue expenditure, and estimated annual income;
  - 9.1.3 details and the estimated cost of any consequential or incidental works;
  - 9.1.4 details of the proposed use and a scheme of management of the project after completion, including changes in the manpower establishment;
  - 9.1.5 details and the cost of any works to be superseded;
  - 9.1.6 details and estimates of any capital receipts which may be anticipated.

## VARIATION OF THE COUNCIL'S APPROVED BUDGET

### FR10

- 10.1 Except as provided by FR10.2 and subject to FR10.3 the Executive, Committee or officer shall not incur unbudgeted expenditure or reduce budgeted income without the prior approval of the Council.
- 10.2 The exceptions referred to in FR10.1 are:
- 10.2.1 authorised under FR12 to 16;
  - 10.2.2 as required by any decision of a recognised negotiating body, affecting the remuneration, rates of pay or other conditions of service or employment of the Council's officers or other employees;
  - 10.2.3 by any decision of the Council, the Executive or a Committee with respect to merit awards and regrading;
  - 10.2.4 as required by any statutory amendment to rates or amounts of tax, duty, National Insurance Contributions, social security benefits or allowances or pension contributions.



- 10.3 Any proposal to vary the purposes of or amounts in the approved budget shall be referred to the Director of Resources before inclusion in any report to the Executive, a Committee or the Council.

## **FR11**

- 11.1 Any proposal involving the extension of a service, the introduction of a new service, the inauguration of a new project or any matter not previously approved as Council policy shall be submitted to the Executive, together with a request for any necessary supplementary estimate.

## **VIREMENT**

### **FR12**

- 12.1 The Executive may approve a transfer from one budget under its supervision to another in respect of sums not exceeding £50,000 revenue or £100,000 capital.
- 12.2 If the Executive wishes to increase the provision in any budget by way of transfer from another budget by a sum in excess of those referred to in FR12.2, it shall make a request to the Council.
- 12.3 Savings derived from wages, salaries, car allowances, debt charges, asset rents or support service costs shall not be available for transfer except with the approval of the Executive on report from the Director of Resources.

### **FR13**

- 13.1 Subject to the rules concerning the making and reporting of key decisions in Article 14 (Decision-making) and Part 4E (Access to Information) of the Council's Constitution, the Chief Executive with the agreement of the Director of Resources may at the request of the relevant Head of Service approve the transfer of a sum from one of the Head of Service's revenue budgets to another budget under the Head of Service's supervision provided that :
- 13.1.1 the sum does not exceed £10,000;
- 13.1.2 such a transfer shall not be used to vary the establishment of employees;
- 13.1.3 such transfer would not impose a burden on the Council tax and revenues for future years;
- 13.1.4 the item from which it is proposed to transfer the amount does not represent an allocation to or saving from capital financing costs or asset rents;



- 13.1.5 in the case of the transfer of a revenue sum, impose a burden on the Council tax and revenues of future years.
- 13.2 Subject to the rules concerning the making and reporting of key decisions in Article 14 (Decision-making) and Part 4E (Access to Information) of the Council's Constitution, the Chief Executive with the agreement of the Director of Resources may at the request of the one Head of Service approve the transfer of a sum from another revenue budget provided that:
- 13.1.1 the Head of Service having responsibility for that other revenue budget so agrees;
- 13.1.2 the sum does not exceed £10,000;
- 13.1.3 such a transfer shall not be used to vary the establishment of employees;
- 13.1.4 such transfer would not impose a burden on the Council tax and revenues for future years;
- 13.1.5 the item from which it is proposed to transfer the amount does not represent an allocation to or saving from capital financing costs or asset rents;
- 13.1.6 in the case of the transfer of a revenue sum, impose a burden on the Council tax and revenues of future years.

## **SUPPLEMENTARY ESTIMATES**

### **FR14**

- 14.1 Subject to the rules concerning the making and reporting of key decisions in Article 14 (Decision-making) and Part 4E (Access to Information) of the Council's Constitution, the Chief Executive may at the request of the relevant Head of Service and after having consulted the Executive member having responsibility for finance and the relevant Executive member or Committee chairman for the service concerned approve a supplementary revenue estimate by way of an increase of the provision in any budget under the Head of Service's supervision or for a purpose not included in the Head of Service's budget, not exceeding £10,000 provided that the supplementary estimate shall not:
- 14.1.1 used to defray capital financing costs;
- 14.1.2 used to defray asset rents;
- 14.1.3 cause the establishment of employees to be varied;



14.1.4 impose a burden on the Council tax revenues of future years except where such a burden is consequent upon the approval by the Chief Executive under this FR14 of a supplementary estimate to meet the costs of regrading staff.

## **FR15**

15.1 If the Executive wishes to increase the provision in any budget it shall make a request to the Council.

## **FR16**

16.1 Subject to the rules concerning the making and reporting of key decisions in Article 14 (Decision-making) and Part 4E (Access to Information) of the Council's Constitution, the Director of Resources shall report all supplementary estimates or salary increments approved under delegated authority to the following meeting of the Executive following such approval.

## **AUTHORISATION OF EXPENDITURE**

### **FR17**

17.1 A Head of Service responsible for the implementation of a capital scheme or for the supervision of a revenue budget shall be authorised to expend the amounts provided in the budget for that scheme or purposes, subject to:

17.1.1 compliance with the Council's Constitution;

17.1.2 Contract Standing Orders;

17.1.2 these Financial Regulations;

17.1.4 such specific limitations as may be prescribed by the Executive;

17.1.5 such expenditure being defrayed only within the financial year for which budget was approved.

### **FR18**

18.1 Neither the Executive nor a Head of Service shall incur expenditure on capital account for any purpose for which no provision has been made in the budget, nor, except under the provisions of FR19 exceed for any purpose the total approved capital cost of any project without prior approval of the Executive.



## FR19

19.1 As soon as a Head of Service becomes aware either that

19.1.1 the total capital cost of a scheme, as approved by the Council, is likely to be exceeded by:

- (a) 10% in respect of an approved capital cost of £100,000 or less; or
- (b) 5% in respect of an approved capital cost in excess of £100,000; or

19.1.2 payments under the contract (excluding the effect of any fluctuations clause) are likely to exceed the contract sum by similar percentages then the Head of Service shall report to the appropriate Committee and obtain the approval of the Executive to a revised capital budget.

## FR20

20.1 A Head of Service proposing to make a report to the Council, the Executive or a Committee having financial implications shall submit a draft of such report to the Director of Resources in order that the Director of Resources may be satisfied that all relevant financial information is contained including the effects on future years' budgets and alternative means of financing where appropriate.

20.2 A Head of Service proposing to make a report to the Council, the Executive or a Committee shall submit a draft of such report to the Monitoring Officer in order that the Monitoring Officer may be satisfied that all legally relevant information is contained.

## ACCOUNTS

### FR21

21.1 Each budget holder shall designate an officer to be responsible for financial and accounting work in respect of that budget holder's budget.

### FR22

22.1 Each budget holder shall ensure that the same officer is not responsible for receiving or paying monies and rendering accounts or issuing receipts for the same.



## **FR23**

23.1 Each budget holder shall consult the Director of Resources before introducing, amending or discontinuing any record or procedure related to accounting for cash, stores or equipment, or dealing with income, expenditure or other financial transactions in respect of the budgets under the budget holder's supervision.

## **FR24**

24.1 Any officer who is required to account for any cash or funds belonging to the Council shall submit an account for the same to the Director of Resources as soon as possible after the close of the financial year, and in any case, not later than 1st May following.

## **FR25**

25.1 The Director of Resources shall determine at the end of each year which revenue budgets can be slipped to cover essential expenditure unavoidably delayed from one year to the next.

## **FR26**

26.1 The Director of Resources shall submit, no later than the 30th September following the close of the financial year, a full statement of accounts to the Council for approval.

## **AUDIT**

### **FR27**

27.1 The Director of Resources shall approve all accounting systems and shall maintain a continuous, comprehensive and up-to-date internal audit. For this purpose the Director of Resources shall have access to all records and persons which and whom he considers to be relevant and authority to apply such tests and checks as may be necessary. The Director of Resources shall report annually to the Resources and Organisation Scrutiny Committee and the Executive on the results of internal audit.

### **FR28**

28.1 Each Head of Service and budget holder shall take steps to prevent and to detect irregularity and fraud concerning the income, expenditure, cash, stores or other assets of the Council or in the exercise of the functions of the Council and any employee of the Council who has any knowledge or well-founded suspicion of any irregularity shall forthwith inform the Director of Resources and the Monitoring Officer who shall investigate and report if necessary.



## **ORDERS AND PAYMENTS**

### **FR29**

29.1 The procurement of services, supplies and works shall comply with the Council's Contract Standing Orders and except where a formal contract is made, all orders for services supplies and works shall be issued or confirmed only on the Council's purchase order form containing such information and according to such system as may be approved by the Director of Resources and the Council Secretary and Solicitor, provided that the Director of Resources or Council Secretary and Solicitor may waive this requirement where the use of the purchase order form would be inappropriate.

### **FR30**

30.1 Oral orders shall be confirmed by written order prepared the same day.

### **FR31**

31.1 All orders shall, so far as possible, be issued in sufficient detail to identify completely and accurately the services supplies or works required and shall specify where applicable the quotation and contractual arrangements.

### **FR32**

32.1 Orders shall be approved by the appropriate Head of Service or other authorised officer provided that officers authorised to approve orders shall approve in their own names.

### **FR33**

33.1 Any officer ordering or services, supplies or works shall have regard to the use of central purchasing arrangements (if any) and to the possibilities of the standardisation of supplies.

### **FR34**

34.1 All payments made on behalf of the Council shall be made in accordance with arrangements approved by the Director of Resources.

### **FR35**

35.1 Each Head of Service and budget holder shall check and certify or require to be checked and certified in the manner and to the extent approved by the Director of Resources all relevant invoices, and accounts and shall be satisfied before payment that the liabilities represented have been properly incurred and not previously discharged.



## **FR36**

36.1 Each Head of Service and budget holder shall ensure that payments are made within a time scale which optimises the Council's cash flow subject to its contractual obligations, the avoidance of interest payments and penalties and the need to maintain a good relationship with its suppliers.

## **FR37**

37.1 All budget holders shall ensure that, when appropriate, VAT invoices are received from suppliers contractors or service providers and that the VAT element is separately coded on all payment vouchers.

37.2 Where the Council is reimbursing a third party's costs or other disbursements, budget holders shall seek advice from the Director of Resources to ensure that the correct VAT procedures are followed.

## **FR38**

38.1 All budget holders shall pay urgently and in sufficient time for the discount to be obtained all certified and checked invoices and accounts subject to discount for prompt payment.

## **FR39**

39.1 Each budget holder shall give to the Director of Resources details of all orders for services supplies or works in respect of which bills have not been received at 31st March in each year, together with the estimated amounts payable by no later than 10 days after the conclusion of the relevant financial year. When such accounts are subsequently certified for payment, the budget holder concerned shall identify them accordingly.

## **PAYMENT OF SALARIES ETC**

### **FR40**

40.1 Each Head of Service shall notify the Head of Personnel Services as soon as possible and in the form prescribed, of all matters affecting the payment of salaries, wages and other emoluments to officers and other employees of the Council, and in particular concerning:

40.1.1 appointments, resignations, dismissals, suspensions, secondments and transfers;

40.1.2 absences from duty for sickness or other reason, apart from annual leave;

40.1.3 changes in remuneration, other than normal increments and pay awards and agreements of general application;



40.1.4 information necessary to maintain records of service for pension, income tax, national insurance contributions, allowances and the like.

40.2 Heads of Service shall use reasonable endeavours to meet the timetable for next payroll following the action referred to in FR40.1.

#### **FR41**

41.1 Each Head of Service shall notify the Director of Resources promptly of starting and leaving dates of all casual staff and will process payments for such staff in the manner approved by the Director of Resources.

#### **FR42**

42.1 All time records or other pay documents shall be in a form prescribed or approved by the Director of Resources and shall be certified in manuscript by the relevant Head of Service or authorised officer.

### **IMPREST ACCOUNTS - PETTY CASH**

#### **FR43**

43.1 The Director of Resources shall decide, in consultation with the appropriate Head of Service, the imprest accounts to be operated, their value, and the arrangements to be made for advancing money to and accounting for expenditure from such accounts.

#### **FR44**

44.1 A Head of Service to whom an advance is made under FR43 shall be responsible for ensuring the proper use and safe custody of the money advanced.

#### **FR45**

45.1 Payments from imprest accounts shall be limited to such minor items of expenditure, and to such other items, as the Director of Resources may approve.

#### **FR46**

46.1 An officer responsible for, or operating an imprest account shall, if so requested, give to the Director of Resources a certificate as to the state of the imprest account.



## **FR47**

- 47.1 On leaving the employment of the Council or otherwise ceasing to be responsible for or to operate an imprest account, the officer shall account to the Director of Resources for imprest advance.

## **INCOME**

### **FR48**

- 48.1 The Director of Resources shall be responsible for all arrangements as to the collection, custody, control, disposal and prompt and proper accounting for all cash and remittances and for the system of accounting for all sums due to the Council.
- 48.2 Each budget holder shall ensure that cheques and other payment methods shall be made payable to the Council and not to individual officers.

### **FR49**

- 49.1 The Director of Resources shall be notified promptly of all contracts, other agreements and arrangements entered into which involve the receipt of money by the Council and the Director of Resources, the internal and external auditors and the Monitoring Officer shall have the right to inspect any documents or other evidence in this connection as they may decide and they shall further be given details by the budget holder concerned of all other monies becoming payable to the Council as the Director of Resources may require.

### **FR50**

- 50.1 All money received by an officer on behalf of the Council shall without delay be paid to the Director of Resources or, if instructed by him or her, to the Council's banking account or to any other body or person entitled. No deduction may be made from such money save to the extent that the Director of Resources may specifically authorise. Each officer who so banks money shall enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor) or otherwise indicate the origin of the money on the reverse of each cheque the officer shall enter the name of the department, office or establishment.

### **FR51**

- 51.1 All postal remittances should be promptly entered on remittance sheets by the post opener concerned. In departments where cash remittances are received, post should be opened by two post openers and remittances paid into the cash office without deduction.



## **FR52**

52.1 Every transfer of money, held on behalf of the Council, from one officer to another shall be evidenced by the signature of the receiving officer.

## **FR53**

53.1 All remittances in the form of negotiable instruments shall immediately on receipt be marked with a crossing stamp indicating the name of the bank nominated under FR58 followed by the words "A/c Horsham District Council - Not negotiable".

## **FR54**

54.1 All official receipt forms, priced tickets, vouchers and similar documents shall be ordered, controlled and issued only by or in accordance with arrangements approved by the Director of Resources, and all receipting systems shall be under the direction of the Director of Resources.

## **FR55**

55.1 Every officer who receives money shall comply with any requirement of the Director of Resources with regard to the safe custody of such money.

## **EXCUSAL OF DEBTS**

### **FR56**

56.1 Debts not exceeding £5,000 may be written off on the authority of the Director of Resources and the Council Secretary and Solicitor subject to the advice of the other and the Director of Resources' certificate that the debt is irrecoverable or is unlikely to be recovered at economic cost.

### **FR57**

57.1 Excusal of debts owing to the Council, exceeding £5,000, or not dealt with by an officer acting under delegated powers shall require the authorisation of the Executive.

## **BANKING AND CHEQUES**

### **FR58**

58.1 The Director of Resources shall operate a bank account or accounts together with any associated credit card accounts, to carry out the Council's banking transactions at the bank nominated by the Executive and shall be responsible for the operation of all bank accounts and the issue of all cheques and electronic payments on behalf of or in the name of the Council.



58.2 No banking or credit card account shall be opened on behalf of or in the name of the Council at any bank, except in accordance with a resolution of the Executive.

#### **FR59**

59.1 Each budget holder shall ensure that wherever possible arrangements are made for payments to be made by the Council can and shall be made by electronic means.

59.2 Notwithstanding FR59.1 no officer shall make arrangements for recurrent payments to be made by direct debit or standing order without the prior approval of the Director of Resources.

59.3 No officer shall make arrangement for the payment on behalf of the Council by credit or debit card without the prior written approval of the Director of Resources or where such payment, having previously been authorised, can only be made or may most advantageously be made by this means.

#### **FR60**

60.1 All cheque forms shall be ordered only on the authority of the Director of Resources. An officer nominated for the purpose by the Director of Resources shall be responsible for the control of all unused cheque forms, and shall make proper arrangements for their safe custody and shall issue only such cheque forms as are required to meet duly authorised orders for payment.

#### **FR61**

61.1 Except for emergency payments, all cheques drawn on accounts of the Council shall bear the printed signature of the Director of Resources or such other officer as the Director of Resources may designate.

#### **FR62**

62.1 The Director of Resources shall be authorised to incur, on behalf of the Council, such overdraft at the Council's bank as may, from time to time, be authorised by the Executive.

### **PROPERTY HOLDINGS**

#### **FR63**

63.1 The Head of Property and Design Services shall maintain a terrier of all land owned by the Council recording the purpose for which held, including details of any appropriations, location, extent and plan reference, purchase details, particulars of nature of interest and rents receivable or payable,



particulars of any tenancies granted and details of easements and other encumbrances, if any, to which the land is subject.

63.2 The Council Secretary and Solicitor shall have the custody of all title deeds under secure arrangements agreed with the Director of Resources.

63.3 Each Head of Service shall be responsible for maintaining in conjunction with the Director of Resources sufficient information to enable the Council to comply with the Accounting Code of Practice on Capital Accounting.

## **INSURANCE AND ASSESSMENT OF RISK**

### **FR64**

64.1 The Director of Resources shall promptly effect all necessary insurances and annually report to the Executive on the adequacy of the insurance arrangements made.

64.2 The Head of Cabinet and Policy Development shall issue guidance to all Heads of Service on risk management and good practice and the Council's requirements in managing risks.

### **FR65**

65.1 Each Head of Service shall notify the Director of Resources of the extent and nature of all insurable risks on new or newly acquired properties, assets, liabilities and rights in respect of which such risks can arise and of any material alterations in existing insurable risks on properties, assets, liabilities and rights in the control of his or her Department; and such information required to assess the amount of insurance cover which it is desirable to maintain.

### **FR66**

66.1 The Director of Resources shall be notified immediately in writing by the relevant Head of Service of any loss, liability or damage suffered by or occasioned to any person, property or thing.

### **FR67**

67.1 All appropriate officers and employees of the Council shall be included in a fidelity guarantee policy.

### **FR68**

68.1 All Heads of Service shall bring to the attention of their staff any situation where they think the Council may be at risk from an insurance claim or where immediate action may minimise the risk of such a claim in the future.



68.2 All Heads of Service shall in proposing a course of action consider and document the risks arising from or in connection with such action including in particular the financial risks.

## **CLAIMS**

### **FR69**

69.1 The Director of Resources shall, in consultation with the Council Secretary and Solicitor, deal with claims against or on behalf of the Council arising from insured risks.

### **FR70**

70.1 Where any claim is made against the Council which is recoverable under a policy of insurance, the Director of Resources shall be authorised to incur any necessary expenditure in meeting the claim subject to prior consultation with the Council's insurers.

### **FR71**

71.1 The Council Secretary and Solicitor and the Executive shall after having received the advice of the Council Secretary and Solicitor and having regard to the advice of the Director of Resources be authorised to incur expenditure (whether from the Council's insurance fund or otherwise) necessary to resist or settle any claim against the Council which is not recoverable under a policy of insurance.

### **FR72**

72.1 The Chief Executive, Council Secretary and Solicitor and Director of Resources may incur expenditure not exceeding £50,000 on any one such claim as is referred to in FR71.

### **FR73**

73.1 The Chief Executive, Council Secretary and Solicitor Director of Resources and the Executive shall be authorised to incur expenditure (whether from the Council's insurance fund or otherwise) necessary to meet claims from staff for loss or damage to property where there is no legal liability on the Council.

### **FR74**

74.1 The Chief Executive, Council Secretary and Solicitor and the Director of Resources may incur expenditure of up to £5,000 in any one such case as is referred to in FR73.



## CONTRACTS

### FR75

- 75.1 Heads of Service shall comply with the Council's Contract Standing Orders concerning the letting of contracts.
- 75.2 Before entering into any contract other than for ordinary supplies or services and particularly with regard to contracts for works each Head of Service shall consult the Director of Resources concerning the VAT implications of the proposed contractual arrangements.
- 75.3 Before entering into any contract other than for ordinary services, supplies or works each Head of Service shall consult the Director of Resources concerning the methods of financing including in particular the use of leasing.
- 75.4 Immediately a contract has been entered into other than by way of an official order, the relevant Head of Service shall supply to the Director of Resources such information concerning the contract as the Director of Resources may require.
- 75.5 Immediately a contract having an aggregate consideration of £10,000 or more has been entered into the relevant Head of Service shall supply to the Council Secretary and Solicitor such information concerning the contract as the Council Secretary and Solicitor may require to enable the Council Secretary and Solicitor to maintain the central contracts register.

### FR76

- 76.1 Each Head of Service shall keep a register of all contracts referred to in FR75 above showing the state of the account in respect of each such contract together with any related professional fees, and of all variations, additions or omissions and any other relevant details.
- 76.2 Any variation order to any such contract shall be authorised in writing by the relevant Head of Service or other person nominated by him or her in writing for that purpose and shall be numbered consecutively.

### FR77

- 77.1 Payments in respect of contracts for supplies or works shall be made only on a certificate, the form of which shall be approved by the Director of Resources, signed by the relevant Head of Service or other person authorised by him or her and showing the total amount of the contract, the value of supplies or work received to date, the retention money, the amount previously certified and the amount now certified for payment.



## **FR78**

78.1 Certificates for interim payments on account of contracts shall be dealt with promptly so that payment can be made in every case within the time prescribed in the contract in particular to avoid claims for breach of contract, interest charges or penalties.

## **FR79**

79.1 The relevant Head of Service shall when issuing certificates under FR78 ensure the correctness of payments to which the certificates relate.

## **FR80**

80.1 Before any final certificate for payment of monies or release of retention monies is issued under the contract, the contractor's final account, together with all relevant documents, shall be forwarded to the relevant Head of Service and no final certificate or release shall be granted until the relevant Head of Service has signified his or her approval of the amount to be so certified.

80.2 Claims from contractors shall be referred to the Council Secretary and Solicitor, for consideration of the Council's legal liability and, where necessary, to the Director of Resources for financial consideration before a settlement is reached.

## **STOCKS AND STORES**

### **FR81**

81.1 Each Head of Service shall be responsible for the receipt, care, safe custody, issue and return of stocks and stores including wherever practicable the fixing of optimum re-order quantities and optimum re-order levels for the stocks to be held in store, and shall use and maintain the systems and records approved by the Director of Resources for authorising receipts and issue of stores.

### **FR82**

82.1 Each Head of Service shall supply to the Director of Resources such information as he may require for his or her financial and accounting records in respect of stocks and stores.

### **FR83**

83.1 Each Head of Service shall, in consultation with the Director of Resources, arrange for stocktaking to be carried out at each store, independently of the storekeeper or officer directly responsible as far as possible, so that all items are checked at least once a year.



## FR84

- 84.1 Stocktaking records shall be maintained until after the statutory audit of the accounts of the year concerned.

## FR85

- 85.1 Any surpluses or deficiencies of stores revealed at any time shall be reported immediately to the Director of Resources who shall be empowered to authorise the Head of Service concerned to bring on charge or "write-off" stores up to a value not exceeding £100 in respect of any group of items in relation to any one store. Any surpluses or deficiencies in excess of these amounts shall be reported to the Executive for approval to the necessary adjustments in records.

## FR86

- 86.1 Each Head of Service shall, with the approval of the Director of Resources, have authority to dispose of all materials, plant, fittings, equipment, stock or stores which are surplus to requirements or which by reason of damage, obsolescence or wear, are no longer serviceable for the purpose for which they are held, provided that:

86.1.1 they are disposed of at the best price reasonably obtainable;

86.1.2 at least three written quotations shall be obtained and a subsequent report shall be made to the Executive if the estimated value of all such surplus materials etc., to be disposed of exceeds £10,000 but does not exceed £50,000;

86.1.3 at least three tenders shall be invited by public advertisement if the estimated value of all such surplus materials etc., to be disposed of exceeds £50,000;

86.1.4 in the case of the disposal of surplus or obsolete vehicles, the appropriate Head of Service may, as an alternative to the procedure in FR86.1.2 and 86.1.3 above, with the approval of the Director of Resources, dispose of the vehicles through an established public car auction.

- 86.2 Contractual arrangements for the disposal of supplies shall be subject to the Council's Contract Standing Orders and terms agreed shall minimise the Council's liabilities.



## **TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES**

### **FR87**

87.1 Employees' claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted promptly to the Director of Resources, duly certified by the relevant Head of Service or authorised officer in a form approved by the Director of Resources and made up to a specified day of each month.

### **FR88**

88.1 Members of the Council and cop-optees entitled to receive allowances under the scheme of members' allowances shall comply with the requirements of the scheme of members' allowances.

88.2 Payments to Members of the Council and co-optees who are entitled to claim allowances, shall be made by the Director of Resources upon receipt of the prescribed form duly completed. All claims for a financial year shall be submitted within one month of the 31st March.

### **FR89**

89.1 The certification by the relevant Head of Service or authorised officer 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.

### **FR90**

90.1 All recipients of car allowances and other officers and Members of the Council who use their vehicles for Council business (except those with leased cars) shall indemnify the Council against claims from third parties and shall produce insurance policies and/or renewal receipts as required by the Director of Resources.

## **INVENTORIES**

### **FR91**

91.1 Each Head of Service shall be responsible for the plant, vehicles, machinery, equipment, tools, furniture and other moveable property, for maintaining suitable records and for ensuring that so far as is expedient to do so all items are effectively marked as Council property.



## **FR92**

- 92.1 Each Head of Service shall maintain an inventory, in a form approved by the Director of Resources of all plant, vehicles, machinery, equipment, tools, furniture and other moveable property.

## **FR93**

- 93.1 Each Head of Service shall arrange a stocktaking of items on the inventory records so that all items are checked at least once in each year. Any deficiency shall be reported to the Director of Resources who may authorise the adjustment of the inventory to take account of the deficiency if he or she is satisfied that the item or items deficient cannot be found or recovered and provided the estimated value of the deficiency does not exceed £100. In excess of that sum the facts of the deficiency shall be reported to the Executive for approval to amend the records.

## **FR94**

- 94.1 The Council's property 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 directions issued by the Head of Service concerned.

## **BORROWING AND INVESTMENTS**

### **FR95**

- 95.1 All investment and borrowing activity shall be undertaken in a manner which complies with the statutory requirements, the Prudential Code approved under the Local Government Act 2003, CIPFA Code of Practice and the Council's Treasury Management Policy Statement, including those parameters agreed annually within the Treasury Strategy Report.

### **FR96**

- 96.1 The Director of Resources shall submit a report twice yearly to the Executive detailing the investment and borrowing activity on behalf of the Council for that period and demonstrating compliance with the Treasury Management Policy Statement. All investments shall be made in the name of the Council. The investment of available funds shall be the responsibility of the Director of Resources.

### **FR97**

- 97.1 The Director of Resources shall be the Council's registrar of bonds and shall maintain records of all borrowing and investments of money by the Council.

