



Detailed Financial Regulations and Procedures

These regulations and procedures provide the framework to enable the Head of Resources to fulfil their responsibility for the proper administration of the Council's financial affairs in accordance with Section 151 of the Local Government Act 1972. They are produced under authority given in paragraph 1.3 of Section 6 - Financial Procedure Rules to Part 4 - Rules of Procedure of the Council's Constitution.

Throughout this document:

- The term "Head of Resources" refers to the officer designated by the Council at the date of compiling this document as responsible for the proper administration of the Council's financial affairs in accordance with Section 151 of the Local Government Act 1972. The term "Head of Resources" also refers to any successor post so designated but given a different title.
- The term "Chief Officer" refers to the Chief Executive and the Strategic Directors.
- Forms and supplementary guidance referred to within this document may be found on the Council's intranet.

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Accounting Arrangements

- 1.1 The Head of Resources shall establish and maintain accounting and financial record systems for: -
- Compiling detailed accounting records, and
 - Producing financial management information.
- 1.2 Delegated Officers shall keep such records as, in the opinion of the Head of Resources, are necessary to record correctly all the financial operations of their departments/services and to ensure accuracy and promptness in both the recovery of all money due to the Council and the payment of all amounts owing by the Council.
- 1.3 The form of financial records maintained outside the Financial Services Unit shall be under the supervision of the Head of Resources, subject to consultation with the Delegated Officer concerned and shall comply with national financial or accounting codes of practice as far as practicable.
- 1.4 Delegated Officers shall supply the Head of Resources with such information as may be required for the purpose of compiling the Council's accounts and estimates.
- 1.5 The following principles shall be observed in the allocation of accounting duties: -
- a) The duties of providing information regarding money due to or from the Council and of calculating, checking and recording these amounts, shall be separated as completely as possible from the duty of collecting or disbursing such money.
 - b) Officers charged with the duty of examining and checking the accounts of cash transactions shall, unless it is unavoidable, not themselves be engaged in handling cash.
- 1.6 Financial records shall not be disposed of other than in accordance with arrangements approved by the Head of Resources.

Cabinet and Committee Reports

- 1.7 The "Financial Implications" section of all reports must be agreed by officers from Financial Services whilst the report is still in draft stage, prior to submission to EMT or inclusion in a Committee/Cabinet agenda. Any supporting calculations must also be provided to Financial Services for review.

Where additional unbudgeted expenditure is arising in such a report the following must be provided:

- a) The full financial implications expressed as relevant financial values, particularly where this information may influence the decision which Members are invited to make.
- b) Whether the financial implications are to be funded by the Council or a third party.

- c) Whether the financial implications are to be accommodated from within existing budgets (default position) or whether additional budget is required (exception basis only).

Dissemination of Information

- 1.8 Chief Officers and Heads of Service are responsible for ensuring that all staff in their Departments are aware of the existence and content of these Detailed Financial Regulations and Procedures and that they comply with them.

Accountability of Officers

- 1.9 Prior to leaving the Council's service, each officer shall account to their superior officer in respect of all Council property, money and records held in their charge.

Estimates and Budgetary Control

- 2.1 The Head of Resources shall provide advice on the principles and methodology to be followed when preparing the Capital or Revenue Estimates.
- 2.2 There shall be a Budget Holder or Delegated Officer identified for each budget within the Revenue Estimates and Capital Programme. They will be responsible for the operation and control of the budget or scheme. The duties and responsibilities of Budget Holders and Delegated Officers are set out in guidance issued by the Head of Resources from time to time.
- 2.3 Delegated Officers and Budget Holders shall provide the Head of Resources with such detailed information as may be requested to enable the annual estimates and the medium term financial forecast to be prepared and maintained on an ongoing basis.
- 2.4 The Head of Resources will, in consultation with other Delegated Officers and Budget Holders:-
- a) Prepare and submit annual capital and revenue estimate information to Executive Management Team. The Team will recommend action for submission to the Cabinet together with other reports required as part of the annual budgetary process and other codes that regulate local authority financial activity and reporting.
 - b) Make arrangements for monitoring and reporting on actual performance against budget in accordance with any principles or processes recommended by the Head of Resources and agreed by Executive Management Team.

Revenue Estimates

- 2.5 The inclusion of an item in the Revenue Estimates shall, subject to any other provisions in the Council's Constitution and related documents, or specific instructions of the Council, Cabinet, Executive Management Team or the Head of Resources, confer authority on the appropriate Delegated Officers and Budget Holders concerned, to incur expenditure within the Services that are their responsibility.
- 2.6 Any proposal to incur expenditure which exceeds the appropriate Revenue Budget provision, or which is not provided for in the Revenue Budget, or to forego budgeted income, shall be dealt with in accordance with paragraphs 2.7 to 2.9 below. If this is not possible the Budget Holder or Delegated Officer concerned shall make a report to the Executive Management Team who shall refer the matter to the Cabinet if appropriate, together with a statement of the financial implications prepared by or in consultation with the Head of Resources.

The Protocol for Supplementary Estimates

- 2.7 Supplementary estimates relating to the General Fund may only be approved in accordance with paragraph 2.10 below, if they fall within the categories of expenditure as set out in paragraphs 2.8 and 2.9 below.
- 2.8 Items of expenditure for which budget provision was not made and which cannot be covered by virement and that fall within one or more of the following headings: -

- a) Unavoidable legal requirements arising from current service plans, including the need to publish statutory notices.
 - b) External legal costs arising from actions brought by or against the Council or incurred in respect of public enquiries.
 - c) Other inescapable costs or income reductions that could not have been foreseen and arise from current service plans.
- 2.9 For the avoidance of doubt, the following categories of expenditure are not allowed as contingencies under the protocol: -
- a) Growth or other expenditure over and above current service plans.
 - b) Expenditure that is non-essential or could have been foreseen.
 - c) Income reductions arising from poor management.
 - d) Wilful overspendings.
- 2.10 Subject to compliance with the above, requests for supplementary estimates once approved by the relevant Chief Officer/Head of Service, shall be submitted to the Head of Resources and: -
- a) Where the sum does not exceed **£10,000** the Head of Resources shall have the authority to grant approval.
 - b) Where the sum exceeds **£10,000** but does not exceed **£50,000**, the Head of Resources shall have authority to grant approval following consultation with either the Leader of the Council or the Cabinet Member with responsibility for Finance.
 - c) Where the sum exceeds **£50,000** the Cabinet shall have authority to grant approval.
- 2.11 The Head of Resources will include decisions taken under this protocol, in the next planned Financial Update report to Cabinet following the approval of the supplementary estimate.
- Carry Forward of Unspent Budgets**
- 2.12 Any proposal to carry forward unspent budget from one financial year to the next (that are not subject to the provisions of the Building (Local Authority Charges) Regulations 1998 or like Regulations) must be approved by, or under arrangements previously agreed by, the Head of Resources.
- 2.13 Carry forward requests will only be approved where the underspend is in respect of an amount originally allocated for a specific purpose, and spend has been delayed for a legitimate reason, e.g. delay by contractors. General carry forwards of unspent budgets for no specific purpose will not be approved.

Revenue Budget Virements

- 2.14 The rules relating to virements within the Revenue Budget are given below: -
- 2.15 Limitations on the use of virements
- a) Virements must be applied first to fund any actual or anticipated overspend in any budget or cost centre. No virement would be allowed if the total net expenditure of the Cost Centre from which it is made has overspent or is anticipated to overspend.
 - b) Transfers by way of virements cannot be made from staff related budgets unless they have been referred to the Head of Resources who will review the financial implications and make appropriate recommendations to the Executive Management Team.
 - c) Transfers by way of virements cannot be made from rates, insurances, car allowances and leasing charges.
 - d) Transfers by way of virements cannot be made from budgets provided for specific projects or one-off "growth items" which have been approved as part of the annual budget process.
 - e) Transfers by way of virements cannot be made from other non-controllable accounts such as central support charges and capital charges.
- 2.16 Virements are also subject to the following general criteria: -
- a) The use of 'one-off' savings must be limited to funding 'one-off' items of expenditure;
 - b) Funding ongoing expenditure requires the identification of ongoing savings.
- 2.17 Prior approval of Cabinet is required where it is proposed to: -
- a) Use virements to fund expenditure that is chargeable to Section 137 of the Local Government Act 1972. (<http://www.legislation.gov.uk/ukpga/1972/70/section/137>).
 - b) Use income to fund increases in expenditure. For the avoidance of doubt, this limitation does not apply to expenditure funded by grants obtained by the Council from external organisations providing the Head of Resources is informed in accordance with procedures issued by her/him from time to time.
 - c) Use virements to fund new services or policies not included in the Policy Framework.
- 2.18 Prior approval of Executive Management Team is required where it is proposed to: -
- a) Fund changes by virements that are substantial or would have a significant effect on the way in which a service is administered or on the people who receive that service, or
 - b) Where money would be transferred from new projects, i.e. those that were agreed for addition to the budget for the same year as the virement is to be made.

- 2.19 All approved virements must be notified to the Head of Resources using the prescribed "Virement Request" form in order that financial control can be maintained within 7 days of approval.
- 2.20 Subject to the above criteria: -
- a) Delegated Officers have authority to approve virements up to **£10,000** within or between the cost centres for which they are responsible, or up to **£10,000** to cost centres for which other Delegated Officers are responsible, subject to consultation with the relevant Delegated Officer.
 - b) Corporate Management Team have authority to approve virements within or between cost centres subject to prior consultation with the Head of Resources and either the Leader of the Council or the Cabinet Member with responsibility for Finance where the sum exceeds **£20,000**, but is less than **£50,000**.
 - c) Where virements exceed **£50,000** it is necessary to obtain the prior approval of Cabinet.
- 2.21 The above limits do not apply to virements for allocating funds from specific reserves or provisions to specific departmental codes:
- a) Virements allocating sums from the central Improvement Fund budget are authorised by the Strategic Director (Transformation and Resources), in consultation with the Head of Resources where the amount exceeds **£20,000**;
 - b) Virements allocating sums from the Minute 95 fund are authorised by the Leader in consultation with the Chief Executive and Head of Resources;
 - c) All other virements allocating sums from earmarked reserves are authorised by the Head of Resources.
- 2.22 Virements from earmarked reserves will be included within the bi-monthly financial update report to Cabinet.

Capital Programme

- 2.23 Subject to paragraph 2.26 below, Inclusion of an item in the capital budget shall not confer authority to incur expenditure until: -
- a) Subject to paragraph 2.24 below, a report has been made to Executive Management Team and Cabinet giving a full description and appraisal of the scheme comprising the item, together with its' financial implications; and
 - b) A procurement process has been followed as described in the purchasing regulations and conducted in accordance with the provisions of Contract Procedure Rules.
- 2.24 Where the description of a scheme in the Capital Programme is sufficient to convey a clear indication of the nature of the work to be undertaken, e.g. central heating at Council properties or removal of asbestos, Budget Holders are able to commence work on procuring the project without further report to Executive Management Team or Members.

This is providing the estimated capital costs at the time the contract is let are no more than the provision shown in the Capital Programme and the estimated revenue implications do not exceed those contained in the budget.

- 2.25 Except as provided in 2.28 below, schemes due to commence in later years cannot be undertaken until the Council has formally approved that year's Capital Programme.
- 2.26 Where the scheme title in the Capital plan conveys a sufficiently detailed description of the work to be undertaken and the financial implications are clear, Budget Holders may commence work subject to compliance with the Council's procurement regulations and contract procedure rules.
- 2.27 Subject to externally funded schemes that meet the criteria for the fast track option described in paragraph 2.28 below, no new capital proposals, including proposals financed from external sources, will be allowed unless Cabinet has considered and approved details of the proposals, including compliance with all relevant evaluation criteria; affordability and compliance with the Prudential Code for Capital Finance in Local Authorities.
- 2.28 Subject to paragraph 2.27 above, if during the course of the year, either a Member or a Chief Officer/Head of Service wishes to propose the inclusion of a new Capital Scheme in the Programme which is being funded by specific external funding (i.e. earmarked funding from sources such as lottery money, developers' contributions, or specified government grant), the fast track procedure set out below is to be followed where there is not a convenient meeting of Cabinet that could otherwise consider the proposal;-
- a) A Member, or Chief Officer/Head of Service identifies a capital scheme proposal.
 - b) Details of the scheme, its capital and revenue financial consequences, (ongoing and one-off) and the Council Key Priority it supports must be set out on a Capital Bid Form (the Form) and sent to the Head of Resources, preferably by e-mail for speed, and to any other relevant party for consultation.
 - c) The Head of Resources will verify the financial implications and confirm the V.A.T. position to ensure that the Council does not inadvertently incur unrecoverable taxation costs.
 - d) The Head of Resources will respond as soon as practicable, indicating agreement of the details on the form, amend as appropriate or report on any difficulties that may arise.
- 2.29 If the proposed scheme is for a value below **£10,000** the Head of Resources is authorised to approve the expenditure. For all other new capital proposals the following additional approval is also necessary:
- a) Once financial clearance is obtained, the relevant Chief Officer/Head of Service will consult with either the Leader of the Council or the appropriate Cabinet Member, and where appropriate Ward Members.

- b) Either the Leader of the Council or the appropriate Cabinet Member, to signify agreement either by signing the Form or, if it has been sent electronically, returning an appropriate e-mail.
- 2.30 The Chief Officer/Head of Service will send a copy of the authorised Form, or any authorising e-mails to the Head of Resources so that the scheme can be included in the Capital Programme and the appropriate capital codes issued. Capital expenditure codes will not be raised until the relevant approvals have been received.
- 2.31 During the life of a contract it is the responsibility of the relevant Budget Holder or Delegated Officer to continuously monitor expenditure against budget and Programme and take action in order to ensure that schemes are completed on time and within budget.
- 2.32 Where, as a result of unavoidable circumstances: -
- a) The final outturn for a scheme is predicted to be above, but no greater than **10%** or **£10,000** in excess of, the original provision and cannot be funded by virement, it is necessary for the appropriate Budget Holder to make a report to Cabinet (see paragraph 2.35 to 2.38 below).
- b) The final outturn is predicted to be greater than **10%** or **£10,000** in excess of the original provision in the Capital Programme the appropriate Budget Holder should make a report to Cabinet, giving details of the reason for the additional expenditure, requesting authority before any additional costs are committed.
- 2.33 In an urgent situation where additional work has to be approved in order to avoid the Council incurring further additional costs, e.g. through extensions of contract time, the Budget Holder concerned should follow the current procedure and secure the appropriate approvals as set out in the form headed "Expenditure Allocation from Reserves for Contingencies and Unavoidable Increases".
- 2.34 To assist Budget Holders in meeting their obligations under these regulations, the Head of Resources will, in consultation with relevant Budget Holders, produce regular reports to Executive Management Team which monitor the overall progress of schemes included in the Capital Programme.

Capital Programme Virements

- 2.35 In view of the potential size of capital schemes and the long-term financial commitments that can be incurred, it is necessary for the capital virement rules to be significantly less flexible than those for the Revenue Budget.
- 2.36 When considering virements, care should be taken to ensure that the rules relating to ring fencing of the Housing Revenue Account are not breached. For further advice on this point, please contact the Head of Resources.
- 2.37 Virements can be used on capital accounts to transfer unused provision between schemes. Paragraphs 2.17 and 2.18 above apply to capital virements as they apply to revenue virements.

- 2.38 With the exception of schemes funded directly from the Housing Revenue Account, capital virements may not be approved where they relate to the transfer of savings or slippage on one capital scheme so that an alternative scheme can proceed except where that scheme is included in a future year's approved capital programme (if any). The term "approved" in this context means that the Council is specifically committed to undertake the schemes included in a future year's programme.

The Housing Revenue Account (Special Rules)

- 2.39 The Housing Revenue Account (HRA) is a ring-fenced account that records transactions relating to the Council's housing stock. Because of the nature of the account special rules apply regarding supplementary estimates, virements and the operation of the Capital Programme. These apply only if decisions made under these rules would have no financial impact on the Council's General Fund or Council Tax payers. They are set out below: -

HRA Supplementary Estimates

- 2.40 Supplementary estimates can be agreed providing: -
- a) The additional expenditure contributes towards the achievement of Council Priorities and can be accommodated within the Housing Revenue Account without requiring a supplementary rent increase or breaching the recommended reserves stated by the Head of Resources; and
 - b) The Cabinet or, in cases where it is not practicable to convene a quorate meeting of the Cabinet, the Chief Executive has approved the additional expenditure where it relates to the creation of new posts.

HRA Income

- 2.41 The Cabinet has authority to approve any proposals for the foregoing of income within the Housing Revenue Account having regard to a report from the Head of Resources.

HRA Revenue general virements

- 2.42 Budget holders within the Housing Revenue Account have authority within or between the Housing Revenue Account cost centres for which they are responsible to: -
- a) Approve the use of additional income to fund increases in expenditure provided the prior approval of the Cabinet has been obtained.
 - b) Approve virements as detailed in 2.14 to 2.22 above.
 - c) Approve virements in respect of savings including salary and car allowance savings resulting from vacancies or maternity leave.
 - d) Approve virements where one-off savings are identified to finance ongoing expenditure providing they are satisfied as to the long-term sustainability of any ongoing expenditure without breaching the agreed reserves level.

HRA revenue repairs and maintenance budgets virements

2.43 Budgets may be vired which exceed the standard virement limits set out in Revenue Budget Virements section, between the below codes, with the prior approval of the Head of Communities and Housing, and the Head of Resources, provided: -

- a) They are only between the below codes, and not any other codes.
- b) They do not compromise the achievement of planned programmes of repairs and maintenance already determined or committed to for the financial year.

2.44 The only budgets this special procedure applies to are:

- a) Repairs and Maintenance – Void (General ledger code 510 045)
- b) Repairs and Maintenance – Reactive (General ledger code 510 046)
- c) Repairs and Maintenance – Planned (General ledger code 510 047)
- d) Repairs and Maintenance – Cyclical (General ledger code 510 048)

HRA Capital Programme

2.45 Any changes to the agreed Housing Capital Plan are to be agreed with the Cabinet having regard to a report from the Head of Resources.

Treasury Management

- 3.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Code for Treasury Management in Local Authorities, as updated in 2011.
- 3.2 The Code's requirements include approval of an annual Treasury Management Strategy and Investment Strategy. These strategies shall be adopted by the Council and thereafter implementation and monitoring shall be delegated to the Cabinet. The detailed procedures are set out in the Treasury Management Practices Parts 1 (Main Principles) and Part 2 (Schedules). Copies of the latest version of these documents can be obtained from Financial Services and they are not, therefore, reproduced here.
- 3.3 All money held by the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the Head of Resources.
- 3.4 All executive decisions on borrowing, investment or financing shall be delegated to the Head of Resources or through her/him to her/his staff, who shall all be required to act in accordance with CIPFA's 'Code for Treasury Management in Local Authorities'.
- 3.5 The Head of Resources shall report to the Cabinet and the Council in accordance with the provisions of the Treasury Management Practices.

Leasing and Other Capital Financing Facilities

- 3.6 The Head of Resources shall be responsible for the evaluation and arrangement of all capital financing facilities and leases, subject to appropriate provision having been made within the approved budget. The only exclusion to this rule is the short term hiring of equipment for periods of less than 12 months.

Bank Accounts

- 3.7 The Head of Resources shall open, or authorise the opening of, such accounts as she/he deems necessary with Banks approved by the Council. Arrangements with bankers shall be made by or with the approval of the Head of Resources who shall maintain such bank accounts in the name of the Council's establishments as she/he may consider necessary.
- 3.8 Each Delegated Officer shall ensure that all money received on behalf of the Council is available for collection in accordance with arrangements approved by the Head of Resources. All payments to be made by the Council shall be made from the bank accounts opened or approved by the Head of Resources.
- 3.9 The Head of Resources shall ensure that the Council's bank accounts are reconciled with the Council's financial records at frequent intervals during and at the end of each financial year.

Signing of Cheques

- 3.10 From 1st April 2017 the Council ceased issuing cheques as part of normal day to day operations, with all suppliers being paid by BACS. In the event of an emergency, cheques drawn on behalf of the Council shall bear the facsimile signature of the Head of Resources or be personally signed by the Head of Resources or by another Officer nominated to the bank by the Head of Resources. In addition, all cheques exceeding **£10,000** in value must be personally countersigned by the Head of Resources or by another officer nominated to the bank by the Head of Resources.

Grants and Subsidies

- 3.11 The Head of Resources shall make arrangements for, and co-ordinate as necessary, the completion of all grant claims and other financial returns required by Government departments and other bodies in relation to claims and returns having particular regard to the "Statement of Responsibilities of Grant-paying Bodies, Authorities, the Audit Commission and Appointed Auditors" and any successor documents. Delegated Officers shall maintain such records as are required to enable such claims and returns to be made.
- 3.12 Service departments will consult with the Head of Resources prior to the submission of applications for grant or other external funding.

Stocks and Stores

- 3.13 Delegated Officers shall be responsible for the custody and physical control of stocks and stores in their departments. The level of stock carried shall not exceed reasonable requirements as determined by experience.
- 3.14 No issue shall be made from stores except in accordance with a duly authorised requisition.
- 3.15 Stores records shall be in a form approved by the Head of Resources. Adjustments of stores records to write-off deficiencies or to bring surpluses into charge shall be made only on the authority of the Delegated Officer concerned and the Head of Resources.
- 3.16 The Delegated Officer responsible for each store shall arrange for a continuous stock take to be carried out.

Disposal of Surplus Stock and Equipment

- 3.17 Delegated Officers are responsible for obtaining value for money upon the disposal of surplus stock and equipment. Where the expected value of the goods exceeds the tendering limit set out in paragraph 13 of the Contract Procedure Rules, sale is to be made by way of public tender. Below that limit the Officer must demonstrate that prices have been obtained with fair competition. Disposal may be arranged through the Corporate Property Officer or such other officer authorised by her/him in consultation with the Head of Resources. Leased property cannot be disposed of without first obtaining the approval of the Head of Resources. Any disposal of leased property must be carried out in accordance with the requirements and procedures specified by the Head of Resources.
- 3.18 Stock and inventory records must be adjusted to reflect the disposal.

Controlled Stationery

- 3.19 All controlled stationery, including receipts and tickets, shall be supplied by departments. Tickets are produced in-house and the process is arranged by the individual departments. No tickets of outside bodies shall be placed on sale at any establishment of the Council without such tickets being first referred to the Head of Resources, or such other officer authorised by her/him, for control purposes.

Procuring Goods and Services

- 4.1 See the provisions of the Contract Procedure Rules, contained within the Council Constitution, and the Commissioning and Procurement Strategy.

The Contract Procedure Rules contain the following guidance:

Official orders will be issued for all work, goods or services to be supplied to the Council except: -

- a) where a formal Contract is entered into by the Council;
 - b) supplies of public utility services;
 - c) periodical payments, such as rent or rates;
 - d) petty cash purchases;
 - e) where in the opinion of the Chief Officer/Head of Service a failure by the contractor could result in an adverse impact on Council functions. In such case a formal written contract will be let;
 - f) costs paid for the employment of agency staff, and for the purchase of publications, subscriptions and other memberships;
 - g) other exceptions approved specifically in advance by the Head of Resources or Head of Law.
- 4.2 The requisitioner should place their requirements/order details on the Council's order requisition system on the Intranet. Ensuring that the requisition conforms to the Council's Procurement rules.
- 4.3 Orders shall be placed by FSU using the Council's electronic ordering system: eProcurement, once approved by an Authorised Officer the official Council order is automatically created.
- 4.4 In certain specific emergency situations the Council's procedure for purchasing goods and services can be bypassed. These are detailed in the Procedure for Urgent Orders which may be found on the Corporate drive within Financial Services Reference Materials.

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Salaries, Wages, Pensions

- 5.1 The payment of all salaries, wages, pensions, compensation and emoluments to all employees or former employees of the Council shall be made by the Head of Resources or under arrangements made by her/him having regard to any advice given by the Human Resources Manager.
- 5.2 The Human Resources Manager as defined in paragraph 5.1 above shall inform the Head of Resources of any changes to the establishment necessary for accountancy purposes.

Payment of Invoices and Expenses

- 5.3 The payment of all invoices, contracts and claims for reimbursement of expenditure shall be made by the Head of Resources or under arrangements made by her/him.
- 5.4 All Delegated Officers shall ensure that all necessary checks are made on invoices or claims as laid down by the Head of Resources from time to time and will certify the invoice or claims to that effect.
- 5.5 A summary of the main procedures is shown at [Appendix A](#). Specific procedures in respect of the administration of employee claims for reimbursement of mileage incurred on Council Business are shown in [Appendix H](#). Specific procedure for the usage of Council issued credit cards are shown in [Appendix I](#).

Petty Cash/Postage Stamps/Change Floats

- 5.6 Petty cash/postage stamps/change floats shall be held only as approved by the Head of Resources.
- 5.7 Officers responsible for the above shall keep such records as required by the Head of Resources and shall submit such information as required by her/him when requesting reimbursement of amounts expended.
- 5.8 The Head of Resources shall make arrangements for the reimbursement of all petty cash accounts.
- 5.9 Petty cash expenditure must not be used in connection with organisations having normal creditor arrangements with the Council.
- 5.10 The procedures for reimbursement of petty cash claims, other than those reimbursed by a float, may be found on the Corporate drive within Financial Services Reference Materials.

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- 5.11 The maximum amount of any individual item of expenses shall not exceed **£50** if paid from a Petty Cash float, or the amount of the float, if lower. Individual amounts in excess of this limit may be paid in cases of urgency where sufficient money is available within the float.
- 5.12 For the avoidance of doubt, the limits specified in the above paragraphs do not apply to those exceptional cases where the Council make appropriately authorised cash payments to members of the public relating to the provision of Council services in circumstances

where payment by other means would not be practicable (e.g. where the person in question does not have a bank account).

- 5.13 Delegated Officers responsible for holding floats shall make such safe storage arrangements as are acceptable to the Head of Resources.
- 5.14 All Delegated Officers shall submit to Financial Services at the end of each financial year a statement providing certification of the amount outstanding in their float as at the 31st March, or preceding working day if the 31st March should fall on a weekend.
- 5.15 Detailed procedures are shown at [Appendix B](#).

Custody and Security of Assets

- 6.1 Delegated Officers, shall be responsible for ensuring that secure arrangements are made for the safe custody of cash, plant, equipment and any other property under their control.
- 6.2 An inventory shall be prepared and kept up to date by each department for every establishment of the Council in such a manner as shall be approved by the Head of Resources. Physical verification of inventories shall be carried out annually and any variations reported to the Head of Resources. Each Delegated Officer shall notify the Head of Resources of the officers they have designated to be responsible for the control of the inventories.
- 6.3 Detailed procedures are shown at [Appendix C](#).

Council Vehicles

- 6.4 Under no circumstances must personal mileage be incurred in Council vehicles, nor should other than official passengers or goods be conveyed. This is because the Council's insurance policies, including the statutory third party cover, would be invalidated in any circumstances where this rule is breached.
- 6.5 No Council vehicles should be taken to an employee's home unless they have the specific approval of their Delegated Officer to do so.

Capital Assets

- 6.6 The Head of Resources shall maintain a Capital Assets Register, which shall include brief details and the current value of all Council assets. Assets having values in excess of **£10,000** are to be included on the register. Delegated Officers shall provide such information as the Head of Resources may reasonably require for this purpose.
- 6.7 The Head of Law shall have custody, under secure arrangements, of all title deeds, including those of properties in mortgage to the Council.
- 6.8 Whenever a new building is planned, or the purchase of an existing building is proposed, and that building is to be used for the receipt and custody of Council monies, then the Budget Holder or other person concerned shall at the earliest opportunity consult with the Head of Service or Head of Resources concerning the security arrangements proposed for assets within the building. Such consultation must also be made where the nature of use of any building changes or where changes to existing security arrangements are otherwise proposed and where such changes might affect the receipt and custody of Council monies.

Administration of Insurances

- 7.1 The Head of Resources through the Head of Internal Audit or any successor post that has responsibility for the Council's insurances, shall be responsible for effecting any insurance necessary to provide adequate protection for the Council and the final settlement of claims under those insurances. In doing so, the Head of Internal Audit will have regard to any advice or guidance issued by the Head of Resources in that officer's capacity as the Council's designated Section 151 Officer.
- 7.2 The Head of Internal Audit as defined in paragraph 7.1 above or any agency that the Head of Resources shall delegate authority to through contract or agreement shall be advised immediately by the appropriate Delegated Officer of any fire, accident, loss, irregularity or other occurrence which may affect the rights of the Council under its policies, and of any purchase or disposal of insurable goods or property or variation of risk or other circumstances which may make desirable any alteration in existing insurances.
- 7.3 Delegated Officers shall immediately notify the Head of Internal Audit, or lead contact for insurance administration, of any loss, liability or damage covered by insurance in connection with the services that are their responsibility.
- 7.4 The standard form of procedures to be used concerning the admission of liability and in dealing with the allegations of third parties is shown at [Appendix D](#).

Income

- 8.1 The collection of all monies due to the Council and the raising of all invoices for goods or services provided by the Council shall be carried out under arrangements made by the Head of Resources.
- 8.2 All arrangements for deferred payment of any debt due to the Council must be executed under arrangements made by the Head of Resources. The write-off of debts due to the Council and writing back of income that cannot be identified, allocated or paid out and has not been credited to a Revenue Account, can only be authorised by the Head of Resources or a deputy nominated by her/him. Any individual write off that exceeds **£10,000** will be referred to the Head of Resources for approval.
- 8.3 Refunds of fees and charges can be made in cases where service delivery is not achieved or is sub-standard, and in such cases appropriate adjustments shall be made to financial records as specified by the Head of Resources.
- 8.4 Further information on the procedures for income collection/recovery is included in [Appendix E](#).

Postal Remittances

- 8.5 The recording and processing of all postal remittances shall be carried out under arrangements agreed with the Head of Resources.
- 8.6 Current detailed procedures for postal remittances are shown at [Appendix F](#)

Monies Received Other than by Post

- 8.7 Official receipts will be issued on the appropriate stationery for all sums received and all remittances passed to the Finance Team within Revenue Services in accordance with the procedures laid down by the Head of Resources. Exceptions to this general rule shall be agreed in advance with the Head of Resources.
- 8.8 Detailed procedures are shown at [Appendix G](#).

Internal Control

- 9.1 The Accounts and Audit Regulations 2015 (the Regulations) require the Council to ensure that it has a sound system of internal control which:
- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - ensures that the financial and operational management of the council is effective;
 - includes arrangements for the management of risk.
- 9.2 The Council must conduct at least an annual review of the effectiveness of its system of internal control and report this to full Council or a relevant committee, who subsequently must approve the annual governance statement prior to approving the statement of accounts within which it must be published.
- 9.3 Management is responsible for ensuring that control weaknesses identified by any source including internal audit or external agencies, are addressed within a reasonable timescale. Reasonable timescale is defined by the potential impact the control weakness may have on a service or system's ability to consistently deliver its objectives.

Internal Audit

- 9.4 As required by the Regulations:
- the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (the Standards) or guidance, including the CIPFA paper, the Role of the Head of Internal Audit in Public Service Organisations 2010
 - any officer or member of the Council must, if required to do so for the purposes of the internal audit, make available such documents and records and supply such information and explanations as are considered necessary by those conducting the internal audit.
- 9.5 In order to enable the internal audit service to comply with relevant professional standards, the Head of Internal Audit must:
- a) operate a service that acts ethically, with integrity, exhibits the highest level of professional objectivity, respects the value and ownership of information received not disclosing it to others unless there is legal or professional obligations to do so and is professionally competent;
 - b) define the purpose, authority and responsibility of the internal audit activity in an internal audit charter and then present it to senior management and the Audit Committee for approval;
 - c) report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities and confirm annually to the Audit Committee, its organisational independence;
 - d) report functionally to the Audit Committee and have direct and unrestricted access to senior management, the Chief Executive (or equivalent), the Chair of the Audit Committee and other Audit Committee members;

- e) be professionally qualified and suitably experienced;
- f) develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit activity, and includes annual internal assessments and an external assessment which must be undertaken every five years;
- g) communicate the results of the quality assurance and improvement programme to senior management and the Audit Committee in his / her annual report with details of progress made in implementing any improvement plans arising from this work;
- h) report on issues of non-conformance with the Standards to senior management and the Audit Committee, with more significant deviations being considered for inclusion in the Council's Annual Governance Statement;
- i) establish a risk based Audit Plan annually to determine the priorities of the internal audit activity, consistent with the Council's aims, priorities and objectives, taking into account its assurance framework;
- j) link the audit plan to a strategy that sets out how the internal audit service will be delivered and developed in accordance with the internal audit charter, taking into account the input of senior management and the Audit Committee;
- k) communicate the annual Audit Plan and resource requirements to senior management and the Audit Committee for review and approval;
- l) establish policies and procedures to guide the internal audit activity, the form and content of which being dependent upon the size and structure of the service and complexity of its work;
- m) report periodically to senior management and the Audit Committee on the internal audit activity's purpose, authority, responsibility and performance relative to its plan, including any significant risks exposures and control issues, including fraud risks or governance issues;
- n) deliver an annual internal audit opinion and report that can be used by the Council to inform its Annual Governance Statement and concludes on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control;
- o) establish a follow up process to monitor and ensure management actions have been effectively implemented or that senior management has accepted the risk of not taking action;
- p) discuss with senior management any circumstance where he / she concludes that management has accepted a level of risk that may be unacceptable to the Council.

9.6 Internal Audit operates under the Section 151 Officers statutory authority to visit any Council land or premises should this be required.

- 9.7 Officers must ensure that there will be no conflict of interest before appointing external suppliers who provide internal audit services to the Council, to undertake any other work.

Managing Risk and Preventing Fraud, Corruption and Bribery

- 9.8 The Council faces a range of risks that can affect the achievement of its objectives. All activities the Council undertakes involve risks. Risk management therefore aids decision making by taking account of uncertainty (both internal and external to the Council) and its effect on achieving objectives. It then provides a framework for assessing whether any action is required to manage risks more effectively and or improve the control environment.
- 9.9 Officers and members must familiarise themselves with the Risk Management, Anti Fraud and Corruption, Whistleblowing, Anti Money Laundering and Health and Safety Policies and Strategies. They are expected to comply with these policies and strategies, particularly the roles and responsibility statements set out in these documents.
- 9.10 The Council is committed to reduce loss from fraud, corruption, bribery, theft and financial irregularities to an absolute minimum. Allegations and / or suspicions may arise from any source within or external to the Council. Any member or officer, who suspects fraud, corruption, bribery, theft or other financial irregularity in respect of either the Council or private funds if appropriate, must report the matter to the Council's fraud service via:

the Council's **Fraud Team**:

- via Fraudhotline@castlepoint.gov.uk or
- via the Council's **Confidential Report Line on 01268 882250**
- via any of the above under the provisions of the Whistleblowing Policy
- in exceptional circumstances, to the **Chief Executive 01268 882401**.

- 9.11 Individuals should not make any initial enquires regarding the concern as this may prejudice any future investigation into the matter.
- 9.12 Details of the potential concern will be logged by the Council's fraud service who will then:
- notify the Section 151 Officer, the Head of Internal Audit, and any other relevant officers as defined in the Anti Fraud & Corruption Strategy of the allegation
 - work with relevant staff to undertake any investigations that are required.

Action will be taken swiftly and firmly to deal with those who defraud the Council or who are corrupt.

External Audit

- 9.13 The Local Audit and Accountability Act 2014 (the Act), requires the Council to be subject to external audit, by external auditors that it appoints, based upon the framework set out in the Code of Audit Practice 2010, Local Government Bodies (the Code).

External Auditors' principal objectives are to review and report on, to the extent required by the relevant legislation and the requirements of the Code, the audited body's:

- a) Financial statements; and
- b) Arrangements for securing economy, efficiency and effectiveness in its use of resources.

They also certify grants provided by various government departments using pre-agreed work programmes.

- 9.14 Under Section 22 of the Act, an external auditor has a right of access at all reasonable times to every document relating to a body subject to audit which appears to him necessary for the purposes of his functions under this Act. An external auditor may also:
- a) Require any officer or member of a body subject to audit to give him such information or explanation as he thinks necessary for the purposes of his functions under this Act.
 - b) If he thinks it necessary, require the officer or member to attend before him in person to give the information or explanation.

Officers and members should comply with these requirements.

Payment of Invoices

Financial Services issue detailed guidance (periodically e-mailed to users, copies are obtainable from Financial Services on telephone extension 2221) on the procedures to be followed. Detailed procedure notes are available within the computer system to guide users on how to input to the system. The following gives a brief summary of the main processes but cannot be regarded as a substitute for reading the detailed guidance.

1. Undisputed Invoices Paid on Time

1.1 When an invoice is received, Departments must immediately pass, either via internal post (to FSU) or email (to the requisitions mailbox). A separate form is available for cases where invoices are not available, these will need to be completed and also passed to FSU with supporting documentation.

1.2 Departments are responsible for: -

- Receipting goods on the requisition system, upon satisfactory receipt of the goods/services.
- Passing the invoice on the date of receipt to FSU. If the invoice does not relate to an official Purchase order clearly state the expenditure code which needs to be charged on the invoice/email.
- Checking that the invoice is in accordance with the official order, if there is an accepted variance, request the amendment of the invoice through the requisition system.

1.3 Authorised officers must authorised invoices sent to them electronically in a timely manner. The Head of Resources can act as an authorised signatory on all codes across the Council, but only in situations whereby the regular signatories for the relevant code are not available, and it would not be possible or practical to wait for their return for operational reasons.

1.4 Authorised signatory lists are located on the Corporate drive, within the Financial Services folder:

..\Authority Wide Authorisations

1.5 The invoices are put into batches, once authorised, for processing. After authorisation and processing the invoices will be paid on the weekly payment run, when due.

1.6 Financial Services are responsible for inputting the invoices onto [eFE](#)financials, matching any information with the requisition system and highlighting variances, checking that the correct information has been entered, the arithmetic, amount payable and VAT are correct, posting and arranging payment of the invoices entered onto the eFinancials systems, according to the payment terms set for the Supplier/Contractor..

2. Invoices Paid Late

2.1 Invoices that are paid 30 days after the invoice date (or 15 days for local suppliers) are classed as late. These are investigated by Financial Services.

3. Disputed Invoices

- 3.1 If a Department intends to dispute an invoice e.g. because the wrong goods were sent or the wrong price charged, it is necessary to enter "IQ" in the "Dispute Code" field when authorisation is requested. To assist with any dispute queries the dept should detail the reason why the payment is being held using the powerpad option. An authorised signatory should authorise the payment in this section. Once posted to the system, Financial Services identify it via a dispute code and payment will not be made. Reminders will be sent to the authoriser on a weekly basis to encourage regular appraisal and timely resolution.
- 3.2 Once the dispute has been settled, FSU will need to be informed and they will remove the dispute, which will enable the invoice to be paid.

4. Urgent Payments

- 4.1 Payments to suppliers are made once a week by BACS and all effort should be made to avoid urgent, one-off payments. The Council no longer issue cheques.

Petty Cash and Petty Cash Floats

1. How to set up/increase a petty cash float

- 1.1 Application must be made in writing to the Financial Services Manager, or any successor post, giving the following details: -
- Amount required.
 - The reason the float/increase in float is required.
 - The security measures available within the department e.g. "Petty cash will be kept in a locked box within a lockable drawer" or "Petty cash will be kept in a lockable safe" (make, model of safe) and location within office.
 - The name of the officer who will be responsible for the running of the petty cash float.
- 1.2 Please note that new floats will only be set up in exceptional circumstances, where a clear business need for the float can be evidenced.
- 1.3 Following approval, Financial Services will then consult with the Council's Insurance Officer or Insurance agency if necessary to ensure that security arrangements are acceptable to the Council's insurers. If necessary, as soon as the insurers have agreed arrangements then a cheque will be drawn for the amount required.

2. Use of Petty Cash

- 2.1 Cash purchases should only be made where it is impractical or uneconomic to obtain items through the Council's usual purchasing methods e.g. small one-off purchases from a local shop. Staff may be reimbursed through payroll at month end or creditors (BACS payments made once a week).
- 2.2 All other payments should be made through the Council's normal creditor payments system. Cash receipts may not be paid into float accounts but must be banked as provided elsewhere in these detailed regulations.

3. Evidence of Payment

- 3.1 Receipts should be obtained as evidence of any purchases, showing the supplier's VAT number where possible so that the Council can recover the VAT paid.
- 3.2 Receipts can be obtained for train tickets at the time of purchase. They may be issued in the same way as tickets. If a receipt is not obtained for any reason, the ticket(s), if retained, can also be used as evidence.

4. Procedure for Paying Petty Cash

- 4.1 All claims should be entered on a Petty Cash Voucher - Regular or Petty Cash Voucher – Public Transport, as applicable, and certified by an authorised officer detailing name of claimant, what the claim is for and amount paid put against the correct expenditure code. Claimants must not certify their own claims.
- 4.2 All petty cash vouchers are either repaid via the relevant float or through either payroll or creditors, in accordance with the procedure note (see above).

5. Reimbursement to Petty Cash Float

- 5.1 Reimbursement should be sought when cash fund is low.
- 5.2 A payment voucher is completed for the amount to be reimbursed and the covering receipts are attached to the voucher. The code(s) on the payment voucher are the relevant departmental codes.
- 5.3 The department should then contact the Financial Services Manager to arrange reimbursement via Runnymede Pool cashiers. In the case of Leisure Centres reimbursement can be sought direct from the Centre’s receptionist/cashier.

6. Reconciliation

- 6.1 The petty cash holding should be reconciled to the original float amount and the monies held monthly as follows: -

	£p
Total claimed for reimbursement	
Plus cash in hand	
Total	

- 6.2 The total should equal the original value of your float.

7. Transfer of petty cash

- 7.1 If the petty cash fund holder leaves the post then she/he should repay the unspent balance of the float and submit a Petty Cash Voucher for the final amount expended in the usual way. The new holder should request the Financial Services Manager to set up a new float as per instructions in paragraph 1.1

8. For information

On coding or VAT matters please contact Financial Services.

Custody and Security of Assets

1. Inventory

- 1.1 An inventory should: -
- Record the location of all equipment
 - Ensure losses are easily identified

2. Key Controls

- 2.1 Delegated Officers should nominate an officer at each of their establishments to be responsible for the procedures set out below and the safe custody of all equipment.

3. Records Required

- 3.1 An inventory of all valuable assets on the premises should be maintained. This should include assets on loan or donated to the establishment as well as those purchased. It should include all non-consumable items which cost over **£1,000**. For each item the following information should be recorded immediately on receipt:
- A description
 - The manufacturer's name
 - The model
 - The serial number
 - The date of purchase/acquisition
 - The order reference
 - The value

- 3.2 The information should be kept in such a form as approved by a Delegated Officer as advised by the Head of Resources. IT equipment that is the property of Capita, the Council's IT provider is not to be included in these procedures.

4. Checking the Inventory

- 4.1 The inventory should be checked to the physical existence of assets each year and signed and dated by an independent officer to certify that a check has been carried out.
- 4.2 A copy of the completed schedule should be forwarded to the Insurance Officer or Insurance Agency.

5. Use of the Council's property, equipment and facilities

- 5.1 The Council's property, equipment and facilities should only be used on Council business, and should only be taken from Council premises in the normal course of Council business. Any other use should be specifically approved in writing by the Delegated Officer. A separate record should be kept of any items being used by staff in this way. This record should show:
- Details of the item on loan
 - The date of the loan
 - The signature of the member of staff
 - The date the item is returned
 - Estimated value of item

Insurances – Public Liability (Third Party) Policy

Standard form of procedure to be used concerning the admission of liability and in dealing with the allegations of third parties.

1. Admission of Liability

- 1.1 Employees should not, in any circumstances whatsoever, admit or imply the liability of the Council, its officers, or servants, in any matter which may subsequently give rise to a claim for damages or compensation.
- 1.2 They should, at most, merely acknowledge notification of the complaint or claim, without any further observation or statement. Any claims relating to injury or death of a third party should not be acknowledged in writing.
- 1.3 To do so may deprive the Insurers of their right to defend a claim, enabling the Insurers to refuse to handle the claim on behalf of the Authority, or potentially breaching the strict protocols of the Civil Procedure Rules.

2. Procedure for Dealing with Allegations/Claims

- 2.1 The procedure to follow on receipt of an allegation of liability by a third party or their agents is set out below: -
- 2.2 If the Council receives a verbal allegation, claim, or request for claim forms, or assistance in claiming from the Council (which often occurs) refer all enquiries to any agency that the Head of Internal Audit shall delegate authority to through contract or agreement: -
 - The agency will ask for a letter setting out the date and exact location of the incident and the cause and effect of their allegations to be submitted to their Insurance Officer.
 - If it appears, as a result of the allegations, that something (i.e. a procedure or defect) immediately needs to be addressed by the Council, either as the appropriate authority or, in the public interest, to prevent further loss, damage or injury, to persons or property, care should be taken that nothing said or done as a result of the allegation could be construed as an admission of liability on the part of the Council, its officers or its servants.
 - Discretion must be exercised by the responsible officer dealing with the alleged incident as to the need to inform or consult with the agencies Insurance Officer, either from insurance or a financial point of view.
 - If the alleged incident involves personal injury then the agencies Insurance Officer must be informed immediately.
- 2.3 If a letter of claim is received, it is not a matter to be investigated or dealt with by the receiving Department even when the settlement of the claim is less than the policy excess, the following procedure must be followed: -
 - It should be passed immediately to the agency's Insurance Officer, without acknowledgement to the sender.
 - The Department to keep a copy for themselves, and send original, plus one copy, to the agencies Insurance Officer with a memo stating acknowledgement not made but that enquiries and necessary reports for insurance purposes will be made and submitted to the agencies Insurance Officer in due course.

- The agencies Insurance Officer will then acknowledge receipt of claim to claimant, inform Insurers and handle the claim accordingly.
- Departmental enquiries and observations in respect of the allegations will have to be submitted within required timescales to the agencies Insurance Officer for forwarding to the Insurance Company.
- The Council's Insurers act on our behalf of the Authority and either repudiate or settle with the claimant or those acting for them.

2.4 In cases where a letter of complaint, which is not ostensibly a claim, but which may subsequently lead to a claim (e.g. complaint about the state of a swimming pool floor over which the complainant has fallen) the letter may be acknowledged and referred to the appropriate Department for action only once it has been confirmed that this is an acceptable course of action with the agencies Insurance Officer. A copy of the complaint letter should be sent at once to the agencies Insurance Officer marked "For information only" in order that the details can be recorded as an "incident" for risk management purposes. Any other incidents that occur which could result in a claim, should be reported to the agencies Insurance Officer for record purposes.

2.5 For further information please contact the agency that the Head of Internal Audit shall delegate authority to through contract or agreement.

Sundry Debtor Invoices

The following procedures must be adhered to by all staff and should be read in conjunction with the Money Laundering Policy which can be found on the intranet.

1. Raising Debts

- 1.1 The Council collects income for a variety of purposes. It could relate to the provision of services to an outside agency or private individual or it could arise from a liability in the Council's favour.
 - 1.2 To collect this income, the Council raises invoices (or sundry debtor accounts) payable by the person or organisation liable to pay the amount due.
 - 1.3 Debtor Accounts are raised by the relevant Council Department entering data onto a corporate computer system. This data would include: -
 - The debtors name and address
 - Type of debt (reason for invoice)
 - Amount due and V.A.T. amount (if applicable)
 - The income code
 - The details of any payment terms that apply
 - 1.4 Detailed procedure notes are available within the computer system to guide users through the setting up of invoices and other matters relevant to raising the debt, accounting for cash received, dealing with refunds etc. These procedures will not, therefore, be reproduced here.
- ### 2. Recovery
- 2.1 To ensure a co-ordinated approach and a separation of duties, recovery of overdue amounts is carried out centrally (currently within Revenues and Legal depending upon the stage reached in the recovery programme).

Procedures for Postal Remittances

1. Post Opening

- 1.1 One person is responsible for opening the post. This is undertaken at the former benefits counter which is a secure area with enhanced restricted door entry access and is covered by CCTV.
- 1.2 The first step is to check that the general date stamp is showing the correct date.
- 1.3 All external correspondence must be date stamped in a clear space (this may need to be on the reverse of the document) and ensure that the stamp impression is clear, straight and the right way up.

2. Cash/Cheques Received

- 2.1 No cash is accepted or handled at the Council Office. Cash is occasionally received via Bailiff visits, this is paid immediately in to the Post Office as a transcash payment.
- 2.2 All cheques/postal orders must be paper clipped to associated paper work (paying-in slip, letter or bill). All cheques/postal orders must be passed to the Finance Team within the Revenue Services Unit for processing. The Revenue Services Unit office area has enhanced restricted door entry access.

Procedures Concerning Monies Received Other than By Post (All Departments)

The following procedures must be adhered to by all staff and should be read in conjunction with the Money Laundering Policy which can be found on the intranet.

1. General

- 1.1 Official receipts either machine produced or manual shall be issued for all sums received and shall contain sufficient information for the payment to be identified. Under no circumstances shall receipts be given other than on the appropriate Council receipting stationery.
- 1.2 No change will be given on cheques.
- 1.3 Arrangements for direct payment to Castle Point Borough Council bank accounts or post office accounts may only be made with the approval of the Head of Resources.
- 1.4 Where cashiering facilities or bank accounts do not exist collections may be made by authorised security driver/s or organisations from time to time. Collection to be at such intervals and on such terms as shall be agreed by the Head of Resources. The Council also employs in-house bailiffs and collections by such staff are to be made in accordance with procedures agreed by the Head of Resources.
- 1.5 All monies shall be handed to the Finance Team within Revenue Services on the day of receipt. Payments are banked on Monday's and Friday's. Collection staff based in premises where no cashiers facility exists, and no arrangements for collection have been made, shall deposit collections with the nearest cash office not later than by the end of the business day after the day of receipt.
- 1.6 Where an approved bank account exists, monies received by collection staff shall be paid into the relevant bank account on the same or the following business day.
- 1.7 All persons responsible for collecting Council monies must complete a deposit slip in order to record monies paid over to the Runnymede Pool cashiers or, where relevant, the bank, the only exception to this being where postal remittances are passed directly by the person responsible to the cashier.

2. Receipts

- 2.1 Receipts issued by the Council shall comply with the following: -
 - Corrections must not be made by alterations, erasures or use of tippex, but by neat crossing out and insertion of correct information. Corrections must be initialled by the person making the corrections.
 - Manual receipts may not be prepared in advance.
 - The method of payment shall be indicated.
 - The receipt information required on the deposit slip shall be given fully.

- Cancelled receipts and posting stubs will be left firmly affixed in the receipt book, or on the miscellaneous receipt page.
- When payments are made by one person on behalf of another the receipt is to be made out to the person who actually owes the money, but should be returned to the person who is paying it, except where the payer is an authorised agent, in which case the receipt will be made out to the agent.

2.2 All cashiers and collectors receiving money from other collecting officers shall ensure by reference to deposit slips or receipt books that the amount paid over is the correct amount

3. Sealed Deposit Bags (Where used)

3.1 To secure the money, persons making deposit must: -

- Check the bag has the correct address.
- Fill in the cash amounts and the details on the bag including date and amount of bags being secured.
- Remove cashiers cash bags from the safe and check the bag seal numbers against Cash Analysis sheet.
- Remove top copy of the Cashiers Analysis Sheet and tear off Bank Giro Slip from side tab.
- Put all cash bags, the top copy of Analysis Sheet and Bank Giro Slip in the bag.
- Put secured bag in the safe and fill in the Reception/Cashiers Safe Log.
- Obtain the signature of the person collecting the bag on behalf of the Head of Resources, appropriately dated.

3.2 Detailed procedures on the cash collection process using sealed bags are held by Revenue Services.

4. Cheques

4.1 Only cheques drawn in favour of Castle Point Borough Council and crossed "A/C payee only" are to be accepted for payment of monies due to the Council unless otherwise agreed by the Head of Resources.

4.2 Where a cheque is tendered for payment for immediate service or sales it must only be accepted if supported by a valid cheque card, it being the responsibility of the collector to verify correctness as to date, amount in words and figures and signature.

4.3 A suitable reference should be entered onto the reverse of all cheques to aid future identification.

5. Foreign coins

- 5.1 Collection staff should make every effort to minimise the number of foreign coins accepted.
- 5.2 Such foreign coins as are noticed in the preparation of a deposit should be separated from other coins.
- 5.3 On the appropriate deposit slip, the amounts entered against the coded income heads should reflect the amount of income had no foreign coins been accepted and the cash analysis should record the monies exclusive of foreign coins. The top sheet to be sent to Financial Services will then be marked to indicate that a Foreign Coin had been received.

6. Forged money

- 6.1 All persons responsible for collecting Council monies must be vigilant against the receipt of any forged currency.
- 6.2 Suitable forgery detection equipment should be used where possible to minimise the risk of receiving forged currency.

7. Shorts and Overs

- 7.1 All collectors must deposit the actual amount of money collected. The analysis of income section on the deposit slip must show the amount due to have been collected (e.g. by evaluation of tickets, etc., discharge) whereas the cash analysis section must show the actual details of monies deposited. The difference between the two figures is to be shown as a short or over in the appropriate panel on the deposit slip.
- 7.2 All shortages must be reported to the collecting officer's senior officer, and brief observations must be given by the collecting officer on the deposit slip relative to the shortage.
- 7.3 All shortages over **£50** must be reported to the Head of Resources, who will request the Council's fraud service to investigate should it be felt necessary.
- 7.4 In any case where a till is "over-rung" the fact should be noted on the deposit sheet and signed by a senior officer after checking.

8. Clearance of Deposits

- 8.1 Persons making deposits to the cashiers under these provisions should obtain a suitable discharge for the monies deposited.
- 8.2 Where a sealed bag is handed into the cashiers for collection by the Security Company, the depositor hands over the bag together with a receipt book, which lists the bags numbers of those being passed over for collection. The accepting cashier initials the receipt book against the numbers of the bags accepted. The depositor should confirm that all bags handed over have been signed for.
- 8.3 Any variances between receipts and amounts deposited must be reported to the Head of Resources immediately upon discovery, who will request the Council's fraud service to investigate should it be felt necessary..

Mileage Claims

The following procedures must be adhered to by all mileage claimants. They should be read in conjunction with the guidance within the CPBC Staff Handbook which can be found on the intranet.

1. Documentation required – employee responsibilities

- 1.1 Employees must ensure that current and valid copies of insurance policy, MOT and driving licence have been provided to the licensing department prior to undertaking journeys on council business. The insurance policy must cover business use and indemnify the Council against third party claims. If in any doubt please contact the licensing team.
- 1.2 Mileage claims will not be paid where these documents have expired or not been provided to the Licensing department.

2. Submitting claims – employee responsibilities

- 2.1 Claimants should submit claims to their respective line manager on a monthly basis, using the standard forms, found on the intranet.
- 2.2 The forms should be completed for each journey undertaken, showing date of travel, starting and closing odometer reading, resulting total miles travelled, (reduced where appropriate for standard home to office mileage – see section 5 below) and details / purpose of the journey.

3. Approving claims – manager responsibilities

- 3.1 The manager should ensure before signing a claim that they are satisfied for each journey that:
 - 1) The journey undertaken was valid and on council business;
 - 2) The amount of mileage is accurate for the journey undertaken, including:
 - a) Deduction of home to office mileage when relevant.
 - b) Independent verification of mileage claimed, in particular for longer or irregular journeys, such as those outside of the Borough and its immediate geographic neighbours such as online route planners.
 - c) The overall total claimed on the form agrees to the mileages of the individual journeys.
 - d) The claim is not for any journeys more than two months old – see section 4 below.
- 3.2 Once signed, the form should be passed to Financial Services for processing through payroll.

4. Timescales

- 4.1 Monthly claims must be approved by the line manager and passed to Financial Services in accordance with the payroll deadline. This deadline is advised monthly to all employees, and is normally around midday on the 9th of the month.
- 4.2 Any claim submitted by the employee for journeys more than 2 months old will require authorisation by the employee's respective Head of Service.

5. Home to office mileage deductions:

- 5.1 The staff handbook explains the rules relating to the deduction of home to office mileage. These are reproduced below:

1. Where the journey starts and finishes at the office, the total mileage travelled is claimable.
2. Where the journey either starts or finishes at the Officer's home and includes an official call, the mileage claimable is the mileage actually travelled less the normal home to office mileage.
3. Where the journey starts and finishes at the office, but includes going home for lunch, the total lunch-time mileage may be claimed providing the total mileage travelled from the last morning call, to home, to the first afternoon call does not exceed the total distance from the last morning call, to the office, to the first afternoon call. If by going home at lunch-time the mileage is greater, then the mileage claimed must represent the distance from the last morning call, to the office, to the first afternoon call.
4. Where more than one officer is required to travel on official business to the same location, at the same time no additional reimbursement will be made for carrying passengers.
5. If employees are required to make journeys outside the normal working hours, i.e. where the journey starts from home, then the home to place of business to home mileage is claimable.

Use of Council Credit cards

The following procedures must be adhered to by all holders of Council issued credit cards.

1 **Statement of Responsibility:**

- 1.1 Each card is issued to a named individual, who is responsible for the security and proper usage of their card. Each user must sign a statement of responsibility upon initial receipt of their card, an example of which is attached here:



credit card
statement of respons

2 **Standard card usage:**

- 2.1 Each card is only to be used for the specific purpose for which it has been issued and for no other purpose. Non-standard expenditure or other urgent expenditure is only to be charged to the card account held by Claire Dowdall in Facilities Management. The departments and their permitted expenditure are as follows:

- Revenue Services – magistrates fees, county court fees, and wills, probates and death certificates.
- Legal Services - magistrates fees, county court fees, and wills, probates and death certificates.
- Environmental Services – vehicle licences, Dartford Crossing toll and London Congestion Charge; urgent enforcement action - court orders and death certificates.

3 **Non-standard card usage:**

- 3.1 Only the card held by Claire Dowdall in Facilities Management is to be used for any other purpose than those detailed above in section 2.1. Request for non-standard usage should be sent by email to the Financial Services Manager, or in his absence the Head of Resources, and should state:

- The goods/services to be purchased;
- The organisation from whom purchase is being made;
- The amount;
- The general ledger code to be charged, and the available budget on that code, and
- Why payment by credit card is required.

- 3.2 Separate approval should be sought for each purchase and blanket approval for a series of connected purchases is only valid when expressly requested and approval expressly given for a limited, defined period.

- 3.3 The Financial Services Manager or the Head of Resources will then reply in writing, copying in Claire Dowdall, to authorise or refuse the use of the credit card for that transaction, or request further information.

- 3.4 The usage of credit cards for any such non standard transactions does not exclude the card holder from ensuring they have obtained best value and ensuring that the transaction follows the procurement requirements detailed in the Council's Contract Procedure Rules. These can be found on the intranet.

<http://intranet/main.cfm?MenuId=11718>

4 VAT:

- 4.1 The vast majority of card purchases will not include VAT. Where VAT is charged by the supplier a valid tax invoice should be obtained at the time of purchase (often an internet supplier will e-mail one) and passed to FSU so that VAT can be accounted for correctly on the cash book payment voucher by FSU. If a tax invoice cannot be obtained then an alternative supplier should be sought.
- 4.2 Occasionally a supplier will send a tax invoice with goods which are delivered after payment has been made. The card holder must be sure he/she can obtain a tax invoice before placing an order. If a tax invoice is not provided then this will increase the cost to the Council as it will not be possible to reclaim the VAT from HMRC. The increased cost would then be charged to the card holder's budget and reduce their available budget.
- 4.3 An information sheet on VAT invoices can be found on the intranet.
<http://intranet/main.cfm?type=hrdcpyForm&catID=238>
If in any doubt please contact Financial Services.

5 Monthly Statements:

- 5.1 Each card holder should receive a monthly statement direct in the post. They should promptly review this to ensure all transactions are correct, add the ledger code for each transaction. The statement should then be signed by the card holder's line manager and then passed to Clare Clarke in FSU for processing onto eFinancials. For transactions that are not court fees please also add a brief description of the nature of the purchase if it is not clear on the statement.

6 Data Transparency:

- 6.1 Any individual credit card transactions which exceed **£500** will be included on the Council's monthly disclosure of all payments over **£500**. This is published on the Council's website at the following address:

<http://www.castlepoint.gov.uk/payments-over-500>