



# **Sheffield City Council Financial Regulations 2017**

**Summary of changes from the 2015 Regulations**

**Table of Contents**

<b>Foreword .....</b>	<b>3</b>
<b>1. General Review/ Update – job titles, links, format, etc.....</b>	<b>4</b>
<b>2. Financial Planning (Chapter 3).....</b>	<b>4</b>
2.1. Annual Revenue Budget Monitoring .....	4
<b>3. Income Management (Chapter 7) .....</b>	<b>4</b>
3.1. Payment of Fees and Charges - Invoiced.....	4
3.2. Debt Recovery – Disputed Debts.....	4
3.3. Debt Recovery – Legal Action .....	4
3.4. Bad and Doubtful Debt Provisions .....	4
3.5. Bad Debt Write-offs .....	5
3.6. Local Land Charges.....	5
<b>4. Purchasing (Chapter 8) .....</b>	<b>5</b>
4.1. Authorisation Matrix .....	5
4.2. Roles and Responsibilities.....	5
<b>Appendices – 2015/16 Financial Regulations.....</b>	<b>6</b>
<b>A. Financial Planning (Chapter 3).....</b>	<b>6</b>
<b>B. Income Management (Chapter 7) .....</b>	<b>6</b>
<b>C. Purchasing (Chapter 8) .....</b>	<b>6</b>

### **Foreword**

This document summarises the main changes from the 2015 to the 2017 Financial Regulations. It is not intended to replace due consideration of the current Regulations.

If you have any queries on the content of the Regulations please contact your [Finance Business Partner](#).

The Appendices details relevant extracts from the 2015/16 Financial Regulations.

### 1. General Review/ Update – job titles, links, format, etc.....

All job titles have been amended to reflect the Finance and Commercial Services restructure, for example all references to the Director of Finance have been replaced by either the Head of Strategic Finance or Head of Commercial Business Development (Capital and Income Management chapters). It was also necessary to include the Director of Finance & Commercial Services on occasion in the Financial Regulations and the Financial Protocol.

All links have been reviewed and updated.

### 2. Financial Planning (Chapter 3)

#### 2.1. Annual Revenue Budget Monitoring

The Head of Strategic Finance will prepare budget monitoring reports in consultation with Executive Directors. The Head of Strategic Finance will produce an annual timetable for budget monitoring reporting and the following principles will apply:

- Monitoring reports, prepared on an accrued basis, will be reported to Portfolio Management Teams on a monthly basis (except month 1).
- Monthly overall monitoring reports will be presented to the Executive Management Team and Cabinet (quarterly – months 3, 6, 9 and 12).

### 3. Income Management (Chapter 7)

#### 3.1. Payment of Fees and Charges - Invoiced

The minimum value for a sundry debt invoice is £25. Services wishing to raise an invoice for lower than this amount will need the approval of the Head of Commercial Business Development.

#### 3.2. Debt Recovery – Disputed Debts

If a request to extend a dispute beyond 28 days has not been received, the appropriate debt recovery action will be re-instated, or where appropriate the debt will be written off.

#### 3.3. Debt Recovery – Legal Action

Legal action will only be used as the last resort in the recovery process, and the final decision to utilise this action will be made by the Income Collection and Management (ICAM) Team Finance Manager.

Legal action will only be taken in the following circumstances:

- Where the full end to end legal enforcement process can be utilised (e.g. County Court bailiffs, High Court Enforcement action, etc.).
- The cumulative balance of the debt is in excess of £500. The ICAM Team Finance Manager can agree to lower this balance where appropriate.
- In order to comply with the criteria outlined in [Section 7.7](#). Legal action must be taken within 12 months of the invoice date. This deadline may be extended in exceptional circumstances agreed by the ICAM Team Finance Manager.

#### 3.4. Bad and Doubtful Debt Provisions

The year-end bad debt provision will be calculated based on historic collection trends (*amendment based upon a KPMG recommendation*).

### 3.5. Bad Debt Write-offs

If a Service Business Unit Manager fails to authorise write-offs within a month of receiving notification from the Council's finance system (Integra (previously Oracle Enterprise One (OEO))). Finance will complete the approval process.

### 3.6. Local Land Charges

The Local Land Charge Register contains details of outstanding liabilities, e.g. road and other financial charges, home improvement grants, tree preservation orders, notices of restriction, etc., that will either secure the payment of a sum of money or limit the use of the said property. It is a statutory requirement that all Local Authorities within England and Wales compile, maintain and regularly update their Local Land Charges Register.

Services can only secure a Sundry Debt in the Local Land Charge Register in the following circumstances:

- The balance of the sundry debt invoice must exceed £500.
- Other income collection options available for Sundry Debts must have been fully evaluated before registering the charge, e.g. Debt Collection Agency, County Court action, etc.
- The service must have sufficient evidence to support the prospect of the debt being collected through the Land Charge process.
- On an annual basis the Business Unit Manager responsible for the debt that is listed in the Land Register must ensure that the debt is still valid and collectible.
- For the avoidance of doubt this relates specifically to sundry debt invoices, and does not apply to the debts in the Local Land Registry manually raised outside of the Finance System.

## 4. Purchasing (Chapter 8)

### 4.1. Authorisation Matrix

All purchase orders must be approved in line with the Council's authorisation matrix as shown below.

Order Amount	Authorisation Level
£0 - £100	Automatic Approval
£100.01 - £499.99	Middle Manager / Line Manager
£500 - £2,499	Business Unit Manager
£2,500 - £24,999	Assistant Head of Service / Assistant Director
Over £25,000	Head of Service / Director / Chief Executive

### 4.2. Roles and Responsibilities

Ensuring that, where required, the employment status of individuals, limited companies and partnerships is validated, payments are made and related records are stored and made available, all in line with HMRC directives.

---

## Appendices – 2015/16 Financial Regulations

### A. Financial Planning (Chapter 3)

#### Annual Revenue Budget Monitoring

The Director of Finance will prepare budget monitoring reports in consultation with Executive Directors. The Director of Finance will produce an annual timetable for budget monitoring reporting and the following principles will apply:

- Monitoring reports, prepared on an accrued basis, will be reported to Portfolio Management Teams on a monthly basis (except month 1).
- Monthly monitoring reports will be presented to Executive Management Team (except months 1, 4, 8 and 11).
- Monthly overall monitoring reports will be presented to the Cabinet (except months 1, 2, 4, 8 and 11).

### B. Income Management (Chapter 7)

#### Payment of Fees and Charges – Invoiced

New paragraph in the 2017/18 Financial Regulations.

#### Debt Recovery – Disputed Debts

New line in the 2017/18 Financial Regulations.

#### Debt Recovery – Legal Action

New sub-section in the 2017/18 Financial Regulations.

#### Bad and Doubtful Debt Provisions

New line in the 2017/18 Financial Regulations.

#### Bad Debt Write-offs

New paragraph in the 2017/18 Financial Regulations.

#### Local Land Charges

New section in the 2017/18 Financial Regulations.

### C. Purchasing (Chapter 8)

#### Roles and Responsibilities

New line in the 2017/18 Financial Regulations.

#### Authorisation Matrix

All purchase orders must be approved in line with the Council's authorisation matrix as shown below.

Order Amount	Authorisation Level
£0 - £249	Supervisor / Line Manager
£250 - £499	Middle Manager
£500 - £2,499	Business Unit Manager

## Appendix A

£2,500 - £24,999	Assistant Head of Service / Assistant Director
Over £25,000	Head of Service / Director / Asst Chief Executive / Chief Executive
Orders over £250 must also be reviewed by the Council's Commercial Processes Team to ensure compliance with Council <a href="#">Standing Orders</a> etc.	

This page is intentionally left blank