

**Sheffield City Council
Financial Regulations
2022**

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Key Terms and Definitions

Accountable Body (for external funding)	A body receiving funding who becomes legally responsible for ensuring that requirements of the funder are met. This usually includes, for example, putting in place audit trails, overseeing contract management with suppliers, ensuring the project has sufficient cash flow and generally meeting the liabilities (e.g. clawback) that flow from the conditions of the funding.
Accountability Framework	A written framework to explain accountability within a portfolio for the budgets held by each Director and Head of Service. The Framework is reviewed annually to ensure it is still fit for purpose and refreshed when parties involved change. It has been developed to protect the Council's overall financial interest and to meet all statutory requirements.
Accounting Team and Finance & Commercial Business Partnering Team	Members of Finance & Commercial Services with specific responsibility for supporting Executive Directors and their teams through the provision of financial advice and decision support.
Accounting Policies	Accounting policies are the rules used by an organisation to ensure that transactions are lawful, recorded properly and that the financial statements are produced correctly. At SCC, the Chief Finance Officer (CFO) must select the accounting policies and ensure they are properly followed. The Accounting Policies are included in the Statement of Accounts produced each year.
Acquisition	The process of getting something – this may be bought, leased or donated.
Annual Revenue Budget	This is the Council's total Revenue spending plans for the year including the level of Council Tax for the coming year. It is set by Council following receipt of the Annual Budget Report.
Asset(s)	The CIPFA Code of Practice on Local Authority Accounting in the UK defines an asset as 'a resource controlled by the authority as a result of past events and from which future economic benefits or service potential is expected to flow to the authority'.
Bad and Doubtful Debt	A bad debt is a debt which the Council thinks will never be paid by the customer. A doubtful debt is a debt which is likely to become a bad debt, but there is still a chance that the customer will pay.

Budget	<p>As per the Council’s Constitution (Part 2, Article 4), the annual budget includes the allocation of financial resources to different service and projects, including:</p> <ul style="list-style-type: none"> • Revenue expenditure • Proposed contingency funds including reserves and balances • Setting the Council Tax (and any other local tax which may be within the control of the Council) • Decisions relating to the control of the Council’s borrowing requirement • Capital expenditure, • The Treasury Management Strategy, and • The Housing Revenue Account.
Budget carry forward	<p>A budget carry forward is an underspend of an amount of budget, which is planned for, and then transferred to an earmarked reserve to be spent in a future year(s), for a specified purpose. For the purposes of these Regulations this is treated as a Virement (See below).</p>
Budget Implementation Plan (BIP)	<p>Business planning is an ongoing process which ensures that we understand needs, agree priorities and strategic outcomes, for the medium to long-term, and allocate and develop resources needed to deliver them. The decisions from the process – both quantitative and qualitative - allow the production of the Budget Implementation Plans (BIPs) in the Budget Book.</p>
Business Rates	<p>Also referred to as National Non-Domestic Rates (NNDR) and are a levy on business properties based on a national rate in the pound applied to the ‘rateable value’ of the property.</p> <p>The Government determines the national rate multiplier and the Valuation Office Agency determine the rateable value of each business property.</p> <p>Business Rates are collected by the Local Authority and paid into their collection fund, this amount is then distributed 49% to the Local Authorities general fund, 1% to the South Yorkshire Fire and Rescue Authority and 50% to Central Government.</p> <p>The Central Government share is then redistributed nationally, partly back to Local Authorities through Revenue Support Grant.</p>
Capital Expenditure	<p>Expenditure that is incurred to acquire, create or add value to a non-current asset.</p>

Capital Programme	<p>The sum of all the Council’s individual capital projects and programmes that the Council is planning to undertake, together with the funding to support the Programme.</p> <p>The Capital Programme is made up of several different projects, ranging from large scale projects, such as Building Schools for the Future, to smaller projects, such as children’s play equipment.</p> <p>The number and size of the projects may change, which means that Capital Programmes may not be comparable in terms of size and scope over time.</p>
Capital Project	<p>A project which spends capital resources to acquire assets, and/or build, improve, increase the market value of, or substantially lengthen the useful life of an asset.</p>
Capital Reporting and Approval Timetable	<p>This sets out the submission deadlines of Capital Approval Forms, dates of review meetings, monitoring and forecasting cycles, reporting dates and finance system schedules.</p>
Chief Finance Officer (CFO)	<p>the Chief Finance Officer (CFO) has a statutory responsibility under section 151 of the Local Government Act 1972 and s114/114A of the Local Government Finance Act 1988 to ensure that the Council makes arrangements for the proper administration of its financial affairs. These laws govern the way in which the Authority’s financial affairs are managed. The CFO is the Director of Finance & Commercial Services.</p>
Chief Property Officer	<p>Authorised to make any decision in respect of property matters not reserved to a Committee or Full Council, except when an Executive Director can make a declaration that operational property is surplus to the requirements of a service within the Portfolio.</p> <p>The Chief Property Officer is responsible for Property Asset Management across the Council.</p>
Constitution	<p>It describes the arrangements made by the Council for the discharge of its functions, the appointment of its Committees and the way that it meets other statutory requirements concerning governance arrangements.</p> <p>The ways in which the Council’s functions will be discharged are set out in (Part 3) of the Constitution and include functions to be exercised by a Committee of the Council and functions delegated to officers.</p> <p>If any lawfully made provision of the Constitution contradicts any provision of these Financial Regulations, the Constitution shall prevail.</p>

Corporate Plan	The Corporate Plan sets out the vision for the Council and Sheffield. It includes what the Council will do to deliver the vision.
Council Supply Agreements	A Council Supply Agreement is a contractually binding agreement under which the Council agrees to provide works, services or supplies to a third party in return for payment, in money or in-kind, otherwise than in fulfilment of a statutory duty, but does not include an agreement under which the Council receives grant aid.
Council Tax	A banded property tax that is levied on domestic properties. The banding is based on assessed property values at 1st April 1991, and ranges from Band A to H.
Debtor Account (Account Receivable)	Records which show who owes the Council money, what they owe the money for and the amount.
Director	Officer who is a member of the Council's Director's Group.
Executive Director	The Senior Managers who head each of the Council's Portfolios.
External Funding	External Funding is discretionary money not accounted for within the normal funding from central government or equivalent, distributed by various Funders on a business case and/ or competitive basis requiring an application.
Financial Policies	The Council has a detailed set of financial policies which support these regulations.
Financial Protocol	The Financial Protocol describes the roles and relationships of the main parties involved in the Council's financial management arrangements. The protocol is reviewed annually to ensure it is still fit for purpose and refreshed when parties involved change.
Forward Capital Programme	This is the term used to describe the projects that are planned to be in the Council's Capital Programme for the following financial year. Information is usually prepared and collated in the autumn/ winter for presentation to Council in March.
Internal Control	An internal control is a procedure or policy put in place by the Council to: <ul style="list-style-type: none"> • protect assets and resources, • to deter and detect errors, fraud or theft, • to ensure accurate and complete accounting records, • to produce reliable and timely financial information.
Irregularity	Something that is irregular, such as improper or dishonest conduct.

Liability	Obligations that the Council may need to fulfil.
Match Funding	Funds that are set to be paid in equal amount to funds available from other sources. Match funding requirements can be met by in-kind contributions of staff time/ resource as well as actual cash/ budget.
Medium Term Financial Strategy (MTFS)	The Council's MTFS presents an overview of the Council's Financial position over the next three to five year period, including revenue and capital spending plans linked to priorities.
Overhead	Overheads are the expenses of a business which cannot be directly linked to the delivery of a service; but are necessary for the running of the organisation, e.g. building rent or light & heating costs.
Overhead Apportionment	The distribution of various overhead items, in proportion, to the department on a logical basis for example, building rents apportioned to services based on the floor space used by departments.
Portfolio	A group of sections and services managed by an Executive Director.
Project Manager	The officer who is responsible for the day to day running of the project on behalf of the Project Sponsor / Board. They are also responsible for delivery of the projects to budget, time and specification. Project Managers are also known as Budget Managers.
Property Asset Management	A mechanism to ensure that property assets are managed and used efficiently and effectively to support the main objectives of an organisation.
Provision	Amounts charged to revenue during the year for costs with uncertain timing, though a reliable estimate of the cost involved can be made.
Reconciliation	An accounting process that compares two sets of records to check that figures are correct and in agreement.
Revenue Spending	Any expenditure by the Council that falls outside the definition of Capital Spending. Typically, the day-to-day running costs of the Council, such as, salaries, rent, utility bills and payments to service providers.
Reserves	Money set aside from anticipated expenditure postponed or cancelled, or by capital accounting arrangements.
Risk Management	Risk management refers to the practice of identifying potential risks in advance, analysing them, and taking steps to reduce/ curb the risk. Risks could include financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters.

	<p>The Risk Management Framework has been produced by the Corporate Risk Management Group (CRMG).</p> <p>Financial Risk Management is built into the Financial Regulations and the processes that staff are expected to follow daily. Key processes that promote good financial risk management include:</p> <ul style="list-style-type: none"> • monitoring budgets, • complying with the processes in these Regulations, • following the decision-making framework, • maintaining and monitoring key financial risk registers.
Sundry Debt	Miscellaneous income that is due to the Council that can be collected by payment up front or raising a sundry debt invoice. Local taxation, housing benefit overpayments and rental income are not included in this definition.
Transfer to a specific reserve	This is funding that is being put to one side (in a reserve) as part of the service's budget strategy. The funding will be used in future years for reinvestment back into the service area. For the purposes of these Regulations this is treated as a Virement (See below).
Treasury Management	The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
Utilities/ Utility Bill	As approved by the CFO, payments for the following services are Utilities (Gas, Electricity, Water, Telecoms, Mail Services and Photocopiers).
Variation/ Change in Scope (Capital)	This is where there are changes in the agreed capital project cost or outputs. This could be an increase in the cost of the project, a change in available funding, or what will be delivered (the outputs). For example, funding to refurbish six schools is reduced to three schools. This would create a financial variation and change of scope, requiring approval in accordance with the Constitution.
Variations (Revenue)	Variations are changes to the total amount of expenditure across either a Service, Portfolio or the Council resulting in a change to the Council's overall Budget.
Virement	<p>The transfer of underspending on one budget head to finance additional spending on another budget head. Virements are also used to move budgets where a function is moved from one Portfolio or Service to another.</p> <p>Where cash limit is moved to be spent on achieving a different purpose to that approved in the annual budget,</p>

	this is a policy choice and is classed as a virement.
Write-Off	Removing a debt from the Council's accounts using money that has been set aside as part of the bad and doubtful debt provision. It relates to debts that are correctly due to the Council but are no longer collectable.

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1. Background

This section explains what the Financial Regulations are, who must follow them and how the Council knows they are being followed.

It also outlines what training is available to help understand the Regulations.

<p>The Financial Regulations are rules and instructions to help officers and Members to manage the Council’s finances properly</p>	<p>These Regulations are part of the Council’s Constitution (part 4). The Regulations set out the policies that are in place to help officers and Members of the Committees to manage the Council’s finances. They are a key part of the Council’s financial governance arrangements.</p> <p>They are very technical in places as they describe accounting practices and standards that have been set by law and/or professional accountancy bodies. They are used by officers who have an accepted level of understanding of the subject matter. As such there is likely to be content that will not be easy for the public to understand.</p> <p>The CFO must make sure that standards, procedures, and processes are in place across the Council to support the implementation of these Regulations.</p> <p>These Regulations are regularly checked to ensure they reflect accounting best practice, legislation and changing needs of services.</p> <p>Officers should initially contact the Accounting Team if they wish to query the content of these Regulations. Any changes to the Regulations must be approved by Full Council.</p> <p>If any part of these Regulations contradicts another part of the Constitution that other part shall take precedence.</p>
<p>All officers, including voluntary staff must follow the rules in the Regulations</p>	<p>All officers, including those working for the Council on a voluntary basis, must follow the rules set out in these Regulations. It is important that all managers and staff are familiar with these Regulations and the rules they contain. Using the Council’s financial system (Integra) properly is also essential to ensure the Regulations are followed.</p> <p>If managers and staff do not follow the rules this may result in the withdrawal of delegated financial authority and/ or the application of disciplinary procedures.</p>
<p>Directors and Executive Directors must confirm they follow the Regulations as part of their Annual Governance statement</p>	<p>As part of the Annual Governance process, all Directors and Executive Directors must sign a statement to say that they comply with the governance arrangements of the Council including the Financial Regulations and Risk Management Framework.</p> <p>They also must confirm that they have appropriate internal controls in place in their portfolio to protect the Council’s assets. Any occasions where the internal controls have not worked properly must be declared.</p> <p>An Annual Governance Statement is produced that describes the governance framework and highlights any significant issues which</p>

	<p>have occurred in a financial year. The Annual Governance Statement is approved by the Audit & Standards Committee and is published with the Annual Accounts.</p>
<p>To support understanding, procedures and processes are available</p> <p>Financial Protocol</p> <p>E-Learning about the finance System (Integra) and Qtier is also available</p>	<p>Guidance is available which supports these Regulations. The guidance sets out in more detail the Council's procedures and processes related to financial management and administration.</p> <p>The Financial Protocol also complements the Regulations and Policies by describing the roles and relationships of the main parties involved in the Council's financial management arrangements, helping to ensure sound financial management.</p> <p>Training is made available by Finance and Commercial Services to support these Regulations. This includes e-training and guidance for the finance system (Integra) and Qtier reporting tool.</p> <p>All staff should follow the guidance and other documentation to ensure full compliance with the Financial Regulations.</p>

Who Has Responsibility for Finance?

Many of the Council's responsibilities for finances are delegated from Council to its Committees. Ensuring expenditure remains within the resources available to it.

The table below summarises the key financial responsibilities:

<p>Full Council</p>	<p>Functions that can only be carried out by Full Council include:</p> <ul style="list-style-type: none"> • Approving or adopting the Policy Framework • Approving or adopting the Budget, including approval of variations. • Agreeing the capital strategy and programme <p>All the functions carried out by Full Council are set out in Part 2, Article 4 of the Council's Constitution and/ or prescribed by law.</p>
<p>Strategy & Resources Policy Committee</p>	<p>The Strategy & Resources Policy Committee has a co-ordinating role across all other Policy Committees and exercises a corporate view of outcomes, performance, budget monitoring and risk management.</p> <p>The Strategy & Resources Policy Committee has overarching responsibility for the development and submission to Full Council for adoption of the Budget and Policy Framework.</p> <p>The Strategy & Resources Policy Committee, alongside the Finance Sub-Committee, will ensure revenue and capital budget monitoring takes place with sufficient regularity.</p> <p>Both Committees will receive:</p> <ul style="list-style-type: none"> • At least a quarterly budget monitoring report outlining the financial position for the whole Council. • The out-turn report following the end of the financial year to approve decisions on the carry-forward/ carry-back of resources

	<p>from one year to the next.</p> <ul style="list-style-type: none"> • Financial information during the year if support is needed for an in-year decision on the Council’s budget (variation).
<p>Finance Sub-Committee</p>	<p>The Finance Sub-Committee is established as a sub-committee of the Strategy & Resources Policy Committee. It may take decisions in respect of the following Finance and Property matters which are otherwise reserved to the Strategy & Resources Policy Committee:</p> <ul style="list-style-type: none"> • Strategic financial overview • Property decisions • Accountable Body decisions • Corporate Revenue and Capital monitoring and capital allocations <p>The Finance Sub-Committee is also responsible for:</p> <ul style="list-style-type: none"> • Agreement upon the annual budget for Services within Portfolios including the application of the overall capital programme (within the Budget and Policy Framework). • Agreement of Council policies in respect of fees and charges. • Commitments to funding in future years not covered by the MTFS. • Agreement upon virements of £500,000 and over or representing a major change of policy (any value) from one division of a Service to another or between Services within Portfolios or between Portfolios, and within the approved budget. • Approval of all new capital schemes, except expenditure relating to feasibility works up to the value of £100,000. • Approval of a variation to an existing capital scheme which increases the value of the scheme by more than £100,000 <p>Any reference in these Financial Regulations to the Finance Sub-committee shall mean the Finance Sub-committee or Strategy & Resources Policy Committee.</p>
<p>Policy Committees</p>	<p>Once a Budget and/or a Policy Framework (or any constituent part of this) is in place, it will be the responsibility of the Policy Committees to implement it to the extent that this involves the discharging of any functions delegated to a Committee in Part 3 of the Constitution.</p> <p>No changes to any policy or strategy which make up the Budget (revenue or capital) and Policy Framework may be made, as they are reserved to the Council, except those changes which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint.</p> <p>Agreeing fees and charges (other than any set by Full Council as part of the budget process) in line with the MTFS and any policies in respect of fees and charges.</p> <p>All Policy Committees will receive at least a quarterly budget monitoring reports for their areas of responsibility, via their Accounting</p>

	Team contact.
Local Area Committees (LACs)	<p>LACs have powers to approve expenditure of any amounts delegated to them by the Council. LACs cannot spend money other than that allocated by Council.</p> <p>Whenever LACs spend money, they must comply with these Financial Regulations, Contract Standing Orders, Procurement Guidelines and any other relevant policies or procedures.</p> <p>LACS are constituted and operate in accordance with Part 2, Article 11 of the Constitution, and the Procedure Rules in Part 4.</p>
<u>Audit & Standards Committee</u>	The <u>Audit & Standards Committee</u> is a key part of the governance of the Council. The terms of reference for the <u>Audit & Standards Committee</u> are set out in the Council’s Constitution (Part 3.3).
Finance Design Assurance Group (FDA)	<p>The FDA ensures changes to the Council’s financial systems and processes are effectively managed.</p> <p>It aids compliance with relevant legal, regulatory and policy requirements and ensures changes integrate effectively with existing financial systems and processes.</p> <p>Assessing and reviewing proposals that have a material impact on the Council’s financial systems and processes.</p> <p>Provides assurance to the CFO on relevant project and programme deliverables and outcomes and compliance with the Council’s financial strategies.</p>
Standards and Policy Group	<p>The Group develops, maintains, and communicates the principles and standards applied to all financial activities (policies, procedures, and systems).</p> <p>Developing, maintaining and communicating the standard for documents, setting out the format, the ownership and the review frequency.</p> <p>Ensuring that there is clear line of sight to the Financial Regulations and Contract Standing Orders.</p> <p>The Group reviews operating policies and procedures from other services, making suitable recommendations on their content and application to the appropriate decision-making body.</p> <p>The Group works in conjunction with the FDA to participate in high-level project design activities to ensure alignment with key financial principles and accounting standards.</p>

Detailed Officer Roles and Responsibilities

The following tables provide details about the financial management roles and responsibilities of key officers within the Council.

The responsibilities have been broken down into the main areas of financial management and be read alongside these sections of the Financial Regulations.

The Director of Finance & Commercial Services

<p>S151 and deputy s151 officers</p>	<p>Fulfilling the statutory role of the Chief Finance Officer (CFO) for the purposes of s151 of the Local Government Act 1972 and s114/114A of the Local Government Finance Act 1988.</p> <p>A statutory responsibility to ensure that the Council plans for the proper administration of the Council's financial affairs.</p> <p>Ensuring the production and monitoring of these Financial Regulations.</p> <p>Ensuring that the s151 role is fulfilled at a strategic level.</p> <p>On a day-to-day basis, all s151 responsibilities may be discharged by the Head of Accounting and the Head of Finance & Commercial Business Partnering. They will act on behalf of the CFO in ensuring proper discharge of these statutory responsibilities.</p> <p>Nothing in the above paragraph diminishes the ultimate financial responsibilities of the CFO.</p>
<p>Financial Management</p>	<p>If the Head of Accounting or the Head of Finance & Commercial Business Partnering is unavailable, signing grant Funder offer letters, or documentation, to accept a grant of £1m or more.</p> <p>If the Head of Accounting or the Head of Finance & Commercial Business Partnering is unavailable, signing statutory returns or other documents that require the authority of the CFO.</p> <p>Reporting significant risks to the Council's Leadership Boards and to the Policy Committees in quarterly budget monitoring reports.</p> <p>Agreeing borrowing and investment transactions if the Head of Accounting and nominated deputies are unavailable.</p> <p>Maintaining a record of all financial information and approvals in relation to leases, and other credit arrangements, and work with service to approve all leases, except property related leases.</p> <p>Ensuring that appropriate training is made available to support the Financial Regulations and operational procedures.</p> <p>Writing financial standards, policies, procedures, forms, etc. which support the Financial Regulations.</p> <p>Overall responsibility for the financial elements of Council's Asset Register and for making sure all necessary accounting requirements are followed.</p> <p>Arranging the insurances considered necessary to cover risks to which the Council is exposed.</p> <p>Determining the premiums to be charged to Portfolios for Insurance as part of the Annual Budget process.</p>
<p>Financial Planning</p>	<p>Producing the MTFS with Executive Directors.</p> <p>Preparing Portfolio spending proposals with the Finance & Commercial Business Partnering Team and Executive Directors.</p>

	<p>Advising on any contingency budgets required to cover exceptional in-year costs, such as price increases and commitments which are uncertain in terms of their timing and cost.</p> <p>Approving the in-year flow of money to and from reserves, and/or creating or consolidating reserves.</p> <p>Ensuring the Budget meets relevant statutory requirements.</p> <p>Issuing guidance regarding decisions referred.</p> <p>Signing off all Financial Implications summaries, directly or by an authorised officer on their behalf.</p>
Purchasing	<p>Ensuring Contracts Standing Orders are correct, up to date and fit for purpose and adhered to.</p> <p>Reporting all unauthorised breaches of the Contracts Standing Orders to the Audit & Standards Committee in the form of a report.</p> <p>Consider requests for waivers of the Contracts Standing Orders and allowing them where appropriate.</p> <p>Ensuring procedures are in place for the ordering and procurement of goods and/ or services.</p> <p>Providing advice and guidance on the procurement process.</p> <p>Ensuring training and guidance is available for all officers involved in the Purchasing to Payment (P2P) process.</p> <p>Approving suppliers of goods and/ or services.</p> <p>Setting and revising the values in the Authorisation Matrix for the authorisation of Purchase Orders.</p> <p>On a day-to-day basis these responsibilities are carried out by Procurement.</p>
Internal Charges	<p>Making sure that there are proper processes and procedures in place to support the internal charging system.</p>
Internal Audit	<p>Maintaining a continuous internal audit of all the Council's financial systems, records and operations.</p> <p>On a day-to-day basis these responsibilities are carried out by Internal Audit.</p>
Companies, Joint Ventures, Partnerships, Joint Committees	<p>Agreeing the arrangements for robust financial governance and control where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems.</p>
Council Supply Agreements	<p>Providing an opinion to Executive Directors on the financial aspects of Council Supply Agreements.</p>
Grant (Gift) Arrangements	<p>Ensuring there are proper processes and procedures in place for the making of grant aid.</p>

The Head of Accounting

Financial Management	<p>Undertaking day-to-day s151 responsibilities on behalf of the CFO.</p> <p>Signing grant Funder offer letters, or documentation, to accept a grant of £1m or more.</p> <p>Signing statutory returns or other documents that require the authority of the CFO.</p> <p>Recommending amendments of the Financial Regulations to Council to mirror any changes to recommended best practice or essential service requirements.</p> <p>Fulfilling the role of the Money Laundering Reporting Officer (MLRO).</p> <p>Co-Chair of the FDA and the Standards and Policy Group.</p>
Budget Monitoring Treasury Management Carry forward requests Virements	<p>Annually producing the budget monitoring reporting timetable.</p> <p>Reporting to the Strategy & Resources Policy Committee and Finance Sub-Committee on the overall revenue out-turn position including details of reserves, balances and provisions held by Portfolios.</p> <p>Producing an annual Borrowing and Treasury Management Strategy for approval by Council.</p> <p>Agreeing any borrowing or investment on behalf of the Council ensuring compliance with the Borrowing Strategy and the Treasury Management Strategy.</p> <p>Producing an annual report to Council on treasury management activities, transactions and decisions.</p> <p>Reviewing requests by Directors to carry forward underspends into the following financial year.</p> <p>Approving virements under £500,000.</p> <p>Reviewing Budget variations and ensuring correct approval as per these Financial Regulations and the Constitution.</p>
Income Management	<p>Reporting on levels of debts, and the changes in the bad debts provision, to the Audit & Standards Committee as part of the annual accounts process.</p>
Purchasing – verbal orders, urgent and non-order payments	<p>Ensuring verbal orders have appropriate supporting documentation.</p> <p>Approving non-order payments, e.g. multiple, one-off, BACS, CHAPS payments, direct creditors payments or Interfaces, with assurance from the FDA. Keeping the arrangements under regular review and maintaining a list of these payments and exemptions.</p> <p>Authorising urgent payments that do not require a Purchase Order and do not comply with the Authorisation Matrix. Additional assurance is provided by the FDA.</p>
Payroll, Expenses, and Petty	<p>Approving the arrangements made by the Director of Human Resources & Customer Services for approving and controlling payments to all current and former employees.</p>

Cash Floats	<p>Developing and approving procedures related to payments to individuals and the management of petty cash floats.</p> <p>Approving changes to the accounting and taxation elements of the payroll system.</p>
Bank Accounts Banking Procurement / Credit Cards	<p>Opening or closing bank accounts in the name of Sheffield City Council; this includes associated bank accounts which the Council does not directly control such as joint arrangements.</p> <p>Responsibility for all negotiations of banking terms with the Council's Bankers.</p> <p>Maintaining an authorised signature list for banking transactions.</p> <p>Authorise the execution of Amendment Agreements.</p> <p>Opening, closing and managing all credit cards, charge cards and other payment cards held in the Council's name.</p> <p>Approving officer applications for procurement/ credit cards.</p> <p>Determining monthly credit and individual transaction limits for each card. Reviewing requests for alterations to these limits.</p> <p>Ensuring that reconciliations of bank accounts and credit cards are supported by evidence/ documentation, reviewed and certified.</p> <p>Ensuring that a register of all procurement cards is kept, containing employee details, credit and transaction limits and the date of issue.</p> <p>On a day-to-day basis these responsibilities are carried out by the Treasury Team.</p>
Retention of Records	<p>Producing and maintaining a schedule on the retention periods of financial records in accordance with current best practice.</p>
Financial Systems	<p>Maintaining the Council's accounting system, which the Council's Accounts are produced from.</p> <p>Controlling access to the Council's systems and information.</p> <p>Ensuring both the accuracy and security of the data held in the Council's accounting system.</p> <p>Ensuring the financial controls of feeder systems to Integra are robust and in line with information governance regulations.</p> <p>On a day-to-day basis these responsibilities are carried out by the Finance Systems / Training Team.</p>
Accounting	<p>Producing the Council's Accounts in line with Accounting Standards, for approval by the Audit & Standards Committee.</p> <p>Producing a timetable and guidance to produce the Final Accounts.</p> <p>Reviewing the evidence supporting material year-end accruals.</p> <p>On a day-to-day basis these responsibilities are carried out by the Financial Accounting Team.</p>

Head of Finance & Commercial Business Partnering

Financial Management	<p>Undertaking day-to-day s151 responsibilities on behalf of the CFO.</p> <p>If the Head of Accounting is unavailable, signing grant Funder offer letters, or documentation, to accept a grant of £1m or more.</p> <p>If the Head of Accounting is unavailable, signing statutory returns or other documents that require the authority of the CFO.</p> <p>Act on behalf of the Head of Accounting, as and when required, if the delegations in these Financial Regulations are not clear.</p> <p>Recommending amendments of the Financial Regulations to Council to mirror any changes to recommended best practice or essential service requirements.</p>
Reserves	<p>Produce an annual Reserves Strategy for approval by Council.</p> <p>Approving the transfer of restricted grants to reserves.</p>
Capital Programme	<p>Proposing the Capital Programme for the next financial year and then present this to the Capital Programme Group, Finance Sub-Committee and/or the relevant Policy Committees and then Council.</p> <p>Ensuring that Capital projects have financial approval.</p> <p>Report on the overall Capital outturn position to the Strategy & Resources Policy Committee and Finance Sub-Committee.</p> <p>Producing a timetable for reviewing, approving, managing and reporting Capital spending.</p> <p>Approving projects with expenditure of up to £100,000, for feasibility works on potential projects to be carried out, provided that:</p> <ul style="list-style-type: none"> • Evidence confirms that the project is viable. Any recommendations from the feasibility works should be able to be implemented so that the cost of the works is not wasted. • There is sufficient funding in place to cover the entire project, including the feasibility works. • The project is classified as Capital expenditure, in line with the capital accounting rules. <p>Approving Capital expenditure in line with the emergency approvals procedure together with the Executive Directors.</p> <p>As budget holder for the Council's Capital Financing costs, approving Financial Implications.</p> <p>On a day-to-day basis these responsibilities are carried out by the Capital Team.</p>
External Funding	<p>Ensuring grant applications are correctly completed and submitted by the required date.</p> <p>Ensuring all grant offers of External Funding made to the Council are appropriately accepted and approved.</p> <p>Ensuring all completed grant claims and certifications are approved.</p> <p>Providing advice and guidance on funder requirements regarding</p>

	<p>match funding sources and approving documentation.</p> <p>Ensuring all statutory financial returns related to external funding are completed and submitted in line with relevant guidelines.</p> <p>Confirming the income due from grant claims is received.</p> <p>Ensuring the required financial records are kept for the reconciliation of grant income to meet External Audit requirements.</p> <p>On a day-to-day basis these responsibilities are carried out by the External Funding Team (EFT).</p>
Taxation	<p>Ensuring compliance with relevant legislation by ensuring appropriate taxation advice is available to Executive Directors.</p> <p>Seeking appropriate external advice where the tax implications of a project are sufficiently complex.</p> <p>Ensuring the employment status of individuals, limited companies and partnerships are valid, and records are stored in line with HMRC requirements.</p> <p>Complying with the requirements of the Construction Industry Scheme (CIS) in relation to tax deductions on the payment of invoices for construction work, repairs and renovation.</p> <p>Establishing an appropriately skilled team to manage the Council's VAT responsibilities.</p> <p>Preparing and submitting VAT Returns to HMRC which maximise the cash flow benefit to the Council, but no later than the deadlines agreed with HMRC.</p> <p>Ensuring Value Added Tax (VAT) related records (e.g. invoices or credit notes) are stored and in line with HM Revenue and Customs (HMRC) requirements.</p> <p>On a day-to-day basis these responsibilities are carried out by the Tax Team.</p>
Procurement / Credit Cards	<p>If the Head of Accounting is unavailable, approve officer applications for procurement/ credit cards.</p>

Head of Revenues & Benefits

Financial Management	<p>Recommending amendments of the Financial Regulations to Council to mirror any changes to recommended best practice or essential service requirements.</p> <p>Co-Chair of the FDA and the Deputy Chair of the Standards and Policy Group.</p>
Income Management	<p>Determining the standard payments methods that may be used to collect income. Approve any exceptions to the standard methods.</p> <p>Providing training and advice on these payment methods and raising of invoices.</p> <p>Approving procedures for the receipting and banking of income.</p>

	<p>Providing advice on best practice for cash storage and banking.</p> <p>Managing all debt recovery actions except Housing Rents.</p> <p>Approving exceptions to the 60-day debt rule.</p> <p>Agreeing payment arrangements that last longer than 12 months.</p> <p>Having procedures and policies in place for the administration of Direct Debits for the collection of Sundry Debts.</p> <p>Review debts covered by a Land Charge that remain outstanding after 6 years, to determine whether the debt should be written off in the Finance system.</p> <p>Approving proposed write offs.</p> <p>Receiving information about suspected Money Laundering activities within the Council.</p> <p>On a day-to-day basis these responsibilities are carried out by the Income Collection and Management Team (ICAM).</p>
Council Tax	<p>Administration, billing and collection of Council Tax.</p> <p>On a day-to-day basis these responsibilities are carried out by the Revenues & Benefits Team.</p>
Business Rates	<p>Administration, billing and collection of Business Rates.</p> <p>On a day-to-day basis these responsibilities are carried out by the Revenues & Benefits Team.</p>
Benefits	<p>Administration and payment of Housing Benefit, Discretionary Housing Payment & Council Tax Hardship Schemes as well as the recovery of any overpayments.</p> <p>On a day-to-day basis these responsibilities are carried out by the Revenues & Benefits Team.</p>
Accounts Payable	<p>Ensuring arrangements are in place for paying supplier invoices.</p> <p>On a day-to-day basis these responsibilities are carried out by the Accounts Payable Team.</p>

Executive Directors

Financial Management	Ensuring the proper financial management of their portfolio.
Accountability Framework	<p>Producing and maintaining an up-to-date Accountability Framework for the Directors and Heads of Service in each Portfolio.</p> <p>All their Portfolio staff comply with the Financial Regulations.</p> <p>Ensuring the training available on the Financial Regulations is accessed by their staff.</p>
Asset management	<p>Ensuring adequate arrangements are in place for maintaining and protecting the Council's property assets.</p> <p>Ensuring that any acquisition, including leases, or disposal of assets is approved in accordance with the Constitution, the</p>

	Council's Disposal Framework policy and Finance are informed.
Financial risk management and Money Laundering	<p>Ensuring that risk management and business continuity are embedded at all levels within their portfolios in line with the Risk Management Framework.</p> <p>Identifying and controlling risks in their area.</p> <p>Notifying the CFO of any circumstances which could result in the Council incurring a substantial liability.</p> <p>Ensuring adherence to the Anti-Money Laundering Policy.</p> <p>Notifying the CFO (or deputy) where there is any actual or suspected irregularity affecting the Council's assets.</p>
Insurance	<p>Ensuring that the insurance cover chargeable to their Portfolio budgets is accurate and up to date.</p> <p>Providing renewal information annually to the Insurance Team.</p> <p>Notifying the Insurance Team of any loss, liability or damage or any event likely to lead to a claim and taking any action that may be necessary to satisfy any policy conditions.</p> <p>Informing the CFO of any vehicle purchases (or leases) or disposals, premises purchases (or leases) or disposals and of any occupations or vacations of premises.</p>
Financial Planning covers MTFS Annual revenue budget setting and approval Budget Monitoring Virements and variations including approvals Financial Implications and sign-off	<p>Preparing detailed spending proposals for their portfolio in conjunction with Finance & Commercial Business Partnering and the CFO.</p> <p>Informing the CFO of any exceptional expenditure items so that an appropriate level of contingency can be agreed.</p> <p>Ensuring their approved Portfolio Revenue Budget is not overspent.</p> <p>Managing their approved Revenue Budgets within the cash allocations and financial targets approved by the Council, unless specific and approved additional resources are provided in year.</p> <p>Reviewing requests to carry forward underspends. This should be linked to the annual revenue budget and, where possible, identified in the business planning process.</p> <p>Not making commitments to spend in future years without consultation with the CFO and the Finance Sub-Committee.</p> <p>Ensuring that all managers in their portfolios adhere to the budget monitoring and reporting timescales set by the CFO.</p> <p>Proposing budget variations – please see the Virements and Variations to the Annual Revenue Budget section below.</p> <p>Ensure all reports supporting decisions that go to the Policy Committees or Council, contain a section, 'Financial Implications'.</p>
Capital Programme	<p>Ensuring that managers within their Service Area comply with the procedures and timescales related to capital project management.</p> <p>Approving capital expenditure in line with the emergency approvals</p>

	<p>procedure, together with the Head of Finance & Commercial Business Partnering.</p> <p>Ensure adherence to SCC's Project Management Guidelines.</p> <p>Ensuring that the relevant procurement procedures have been followed in relation to Capital projects.</p>
External Funding	<p>Ensuring all applications for external funding are made in line with the Funder requirements and EFT are consulted.</p> <p>Ensuring all offers of external funding are only accepted in accordance with the Constitution.</p> <p>Ensuring all the terms and conditions attached to a grant are met and evidence to confirm this is collected and retained.</p> <p>Ensuring grant claims are prepared, checked by the Accounting Team and EFT, and submitted as per the Funder's requirements.</p> <p>Managing all external funding within their area of responsibility using the Council's systems and processes.</p>
Income Management	<p>Setting fair fees and charges to cover the cost of the spending in their services.</p> <p>Allowing customers to make payment up front wherever possible and ensuring that their services can safely store and bank cash.</p> <p>Ensuring that cash can be transported securely and that their services have insurance to cover the storage and transport of cash.</p> <p>Immediately informing the Police, Internal Audit and the Insurance Team where any theft of cash (or its equivalent e.g. debit or credit cards) is discovered or suspected.</p> <p>Ensuring that where customers do not pay up front, that account receivable accounts are created, and the customer(s) are informed within the required timescales.</p> <p>Ensuring that staff use only approved payment methods to collect payments from customers and that more than one option is offered so that customers have a choice.</p> <p>Determining how their Portfolio and, where applicable, their partner organisations, manage each payment option.</p> <p>Ensuring partner organisations only use the standard payment methods which are approved by the Head of Revenues & Benefits.</p> <p>Ensuring that all systems and processes related to customer payments comply with all relevant legal and security requirements e.g. the Payment Card Industry Data Security Standard (PCI DSS).</p> <p>Effectively managing the level of debt within their Portfolio, in conjunction with the ICAM Team:</p> <ul style="list-style-type: none"> • Reduce the level of payments which are not automatically linked to a specific debt. • Resolve customer disputes within the required timescales.

	<ul style="list-style-type: none"> Identify debts that will never realistically be paid by the customer and recommend for write off (joint authorisation with the Head of Revenues & Benefits). <p>Ensuring that all relevant documentation is kept and is accessible in case it is required for debt recovery procedures, up to and including court action.</p> <p>Ensuring that their staff are aware of the possibility of money laundering activities and that they comply with the Council's Anti-Money Laundering Policy.</p>
Purchasing	<p>Ensuring expenditure is not incurred if it represents a departure from Council policy or not in line with the approved budget.</p> <p>Ensuring expenditure incurred in the name of the Council is appropriate and legal.</p> <p>Ensuring suppliers of the Council have the necessary HMRC certification enabling them to be paid through the Council's payments system.</p> <p>Ensuring that P2P arrangements comply with The Council's Constitution and Contract Standing Orders, HMRC requirements, Health and Safety Regulations, Environmental Policy and Domestic Law.</p> <p>Informing the Head of Accounting, if action must be taken to cancel stolen or lost credit/procurement cards, or those issued to employees who have resigned from the Council.</p>
Internal Charges	<p>Ensuring that their managers and staff follow the procedures for internal charges, including the requirement for an internal order and the use of specified financial codes.</p>
Payroll, Expenses and Petty Cash Floats	<p>Providing correct payroll information, as per the agreed timetables.</p> <p>Ensuring any changes to the payroll, (e.g. post, establishment and contract of employment changes, etc.) are communicated in line with the procedures approved by the Director of HR & Customer Services.</p> <p>Ensuring all payments to employees are:</p> <ul style="list-style-type: none"> Made through the payroll. Made only to official employees. In accordance with individual contracts of employment. <p>Ensuring all necessary information is supplied so that deductions such as PAYE and superannuation are correctly applied.</p> <p>Determining petty cash requirements for their portfolio.</p>
Taxation	<p>Ensuring that the VAT element of any transaction is considered with the objective of maximising VAT recovery and minimising the level of irrecoverable VAT being incurred by the Council.</p> <p>Ensuring that VAT is properly accounted for on all transactions entered by the Council.</p>

	<p>Keeping VAT records within their area of activity.</p> <p>Complying with all VAT legislation and regulations applicable to the delivery of their service.</p> <p>Monitoring and planning for any changes in VAT legislation or regulations which affect their areas of activity.</p> <p>Advising the Head of Finance & Commercial Business Partnering of any capital projects that are under consideration which contain the risk of irrecoverable VAT being incurred by the Council, whether by way of exempt input tax or otherwise.</p> <p>In circumstances where an individual, rather than a company, is engaged to provide a service to the Council; ensuring that all HMRC regulations relating to that engagement are adhered to.</p>
Stores, Stocks, Assets and Security	<p>Controlling access to stores, etc. and making sure that stocks and assets are only used on Council business.</p> <p>Ensuring the control arrangements are robust for additional stock to stores and items issued. Appropriate records must be maintained.</p> <p>Maintaining a record of stock levels for each item which should be physically checked at a frequency agreed by Executive Directors which reflects factors such as stock values, usage etc.</p> <p>Maintaining an inventory of all assets over £100 in value, together with all attractive and portable items below this figure.</p> <p>Ensuring an annual physical check of assets is undertaken.</p> <p>Reporting obsolete or missing items for write-off. Documenting approval and amending Inventory Records accordingly.</p> <p>Maintaining a register of assets removed from Council premises for use on official Council business.</p> <p>Providing the Head of Accounting with a certificate of the stock value held by their Portfolios at the end of the financial year.</p>
Retention of Records	<p>Ensuring that all records, are managed in line with the Council's Document and Records Management Policy.</p> <p>Ensuring records are retained for a period that meets the requirements of HMRC, the Council's External Auditors and any other appropriate Body.</p>
Financial Systems	<p>Reconciling portfolio feeder systems to the information reported in the Council's financial system.</p> <p>Ensuring that Portfolio systems, e.g. Controcc, promptly produce financial returns in a format required by the Head of Accounting.</p> <p>Controlling the access to Portfolio systems and information and ensuring both the accuracy and security of the data.</p> <p>Ensuring that the data on their systems (whether this is hard copy or in electronic format) is held in accordance with domestic data protection legislation.</p> <p>Ensuring that the CFO and the Business Change & Information</p>

	Systems (BCIS) Team are consulted prior to the purchase and implementation of new computerised financial systems.
Internal Audit	Engaging with Internal Audit to produce an annual Internal Audit plan for the following financial year. Agreeing and implementing relevant Audit recommendations.
Companies, Joint Ventures, Partnerships, Joint Committees	Reporting at least annually to the appropriate Policy Committee on the financial affairs of any partnership bodies.
Grant (Gift) Arrangements	Ensuring that any funds set aside to make individual grants are properly approved in line with the Constitution. Ensuring that all grant payments to voluntary organisations (or other recipients) are properly approved in line with the Constitution, these Financial Regulations and all other relevant documentation. Where a grant payment is withdrawn or reclaimed, ensuring that this is agreed in line with the Constitution. Ensuring that the external relationship with any recipient of grant aid is managed in line with all guidance provided by the Director of Legal & Governance. Ensuring that any Grant/ Gift arrangements within their area of responsibility are made in line with the Constitution.
Council Supply Agreements	Ensuring that Council Supply Agreements within their area of responsibility are approved in accordance with the requirements of the Constitution. This includes seeking the opinion of the CFO.

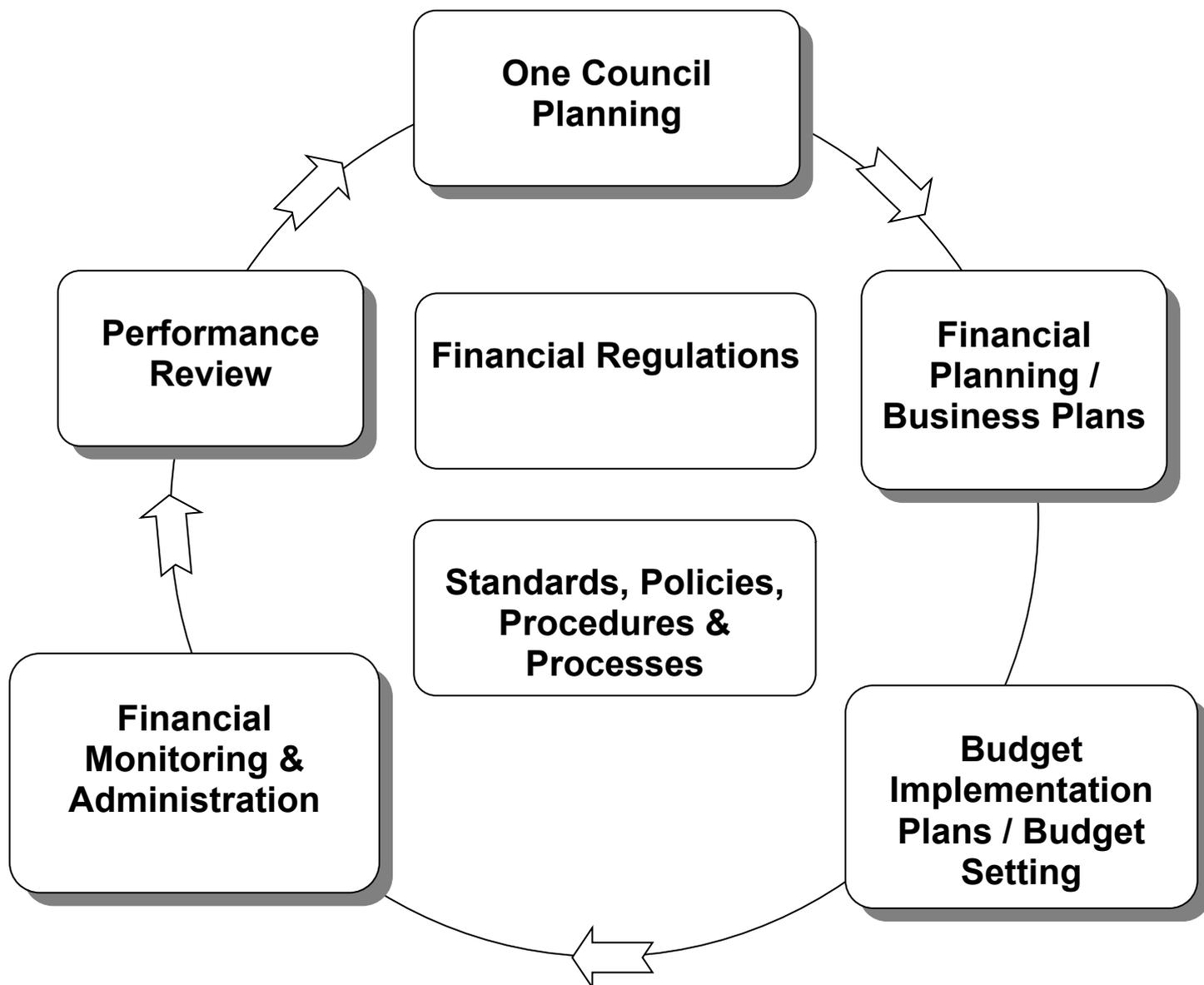
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2. Financial Management

The Cycle

The following diagram shows the financial management process starting with Service Planning and ending with the review of performance before the cycle starts again.

These Financial Regulations and the operational financial policies and procedures issued by the CFO support the financial management process.



Asset Management

This section outlines how the Council will manage, maintain and protects its assets.

<p>The Asset Management Strategy</p>	<p>The Chief Property Officer is responsible for Property Asset Management across the Council. When market conditions are good this includes considering the disposal of surplus capital assets as part of the Council’s Asset Management Plan.</p> <p>Any acquisition or disposal of assets must be approved in line with the Constitution and the Council’s Disposal Framework policy.</p>
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Risk Management

This section details the arrangements for risk management, including financial risk management.

<p>Risk management is the practice of identifying potential risks in advance, analysing them and taking steps to reduce/curb the risk</p>	<p>Specific responsibilities relating to risk management are set out in the Risk Management Framework and Guidance.</p> <p>The Council's Risk Management Strategy is based on good risk management being an integral part of good management and not a separate activity.</p> <p>Risk management and business continuity must be embedded at all levels within portfolios in line with the Risk Management Framework.</p> <p>Directors are responsible for maintaining and monitoring a Service Risks and Assurances log which must include financial risks.</p> <p>Financial risk management is built into these Financial Regulations and many of the core processes that the Council expects managers to follow on a day-to-day basis.</p> <p>Good practices for good financial risk management include:</p> <ul style="list-style-type: none"> • monitoring budgets, • complying with the processes in these Regulations, • following the decision-making framework, and • maintaining and monitoring key financial risk registers.
<p>Money Laundering</p>	<p>The Anti-Money Laundering Policy was produced by Internal Audit on behalf of the CFO.</p> <p>In line with the Anti-Money Laundering Policy, the Head of Accounting is the Officer nominated to receive information about possible Money Laundering activity within the Council – the MLRO.</p> <p>The roles and responsibilities of the MLRO are set out in Appendix B to the Policy.</p> <p>Where there are significant cash payments, i.e. £1,000 or more in cash, or up to £2,500 in linked transactions, officers should check the identity of the client in line with the Council's Anti-Money Laundering Policy.</p> <p>Payments in cash must not be accepted by employees of the Council or any of its agents where the amount is over the current limit of £2,500. This limit is set by the Council's MLRO.</p>
<p>Fraud</p>	<p>The Council's "Code of Conduct for Employees" and 'Whistleblowing Policy' requires any Council officer, who becomes aware of potential theft, fraud or corruption, to bring this to the attention of the appropriate manager.</p> <p>Executive Directors are responsible for notifying the CFO (or deputy) where there is any actual or suspected irregularity affecting the Council's assets. The reporting of concerns to the Council's Internal Audit Service is considered adequate for discharging this</p>

	responsibility.
Insurance	<p>Appropriate Insurances will be in place to cover the risks that the Council is exposed to. The cost of insurance cover will be chargeable to portfolios.</p> <p>Insurance arrangements are reviewed regularly in consultation with the Executive Directors.</p> <p>On a day-to-day basis, Insurance arrangements are managed by the Insurance Team. This team should be notified of any loss, liability or damage or any event likely to lead to a claim.</p> <p>Additionally, the Insurance Team should be promptly notified of any circumstances involving both existing and new risk, which could result in the Council incurring a substantial liability. This will include details about Members, Officers, service users, third parties, property, vehicles, plant/ other assets, trading activities undertaken with organisations external to the Council, and any alterations affecting existing insurances.</p>

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3. Financial Planning

There are 3 key elements to Financial Planning at Sheffield City Council:

- Medium Term Financial Strategy ([MTFS](#)).
- Capital Programme.
- Annual Revenue Budget.

Each element has a specific purpose and is designed to ensure the robustness of the Council’s overall financial arrangements.

<p>The MTFS is an integrated financial plan</p>	<p>The MTFS is a key part of good governance and is a tool to help the Council deliver its priorities.</p> <p>The MTFS links closely to the Corporate Plan. The Corporate Plan in turn, informs the spending priorities included in the MTFS.</p> <p>The CFO will be responsible for producing the MTFS along with Executive Directors. This will be supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making.</p> <p>The MTFS sets an integrated financial plan, usually for a three to five year period, and will form the basis for the following years Annual Revenue Budget and Capital Programme, with projections for future years.</p> <p>This includes details of the amount of money available or financial targets for Executive Directors for the forthcoming financial year and guideline allocations / targets for the following years.</p> <p>The MTFS will also include projections of the Council’s reserves and balances.</p>
<p>Capital Programme lists the projects that involve capital expenditure</p>	<p>The Capital Programme is a list of planned capital projects, together with their supporting funds, that are linked to the Council’s outcomes and objectives.</p> <p>The Programme is agreed by Council in March each year.</p>
<p>The Revenue Budget sets the budget proposals for the Council for a one-year period.</p> <p>It also sets the City Council element of the Council Tax</p>	<p>The Budget is informed by the policy options that form part of the MTFS.</p> <p>Each Portfolio will prepare detailed spending proposals. These financial estimates are then finalised with Executive Directors before inclusion in the Revenue Budget.</p> <p>The CFO will advise on any contingency budgets required to cover exceptional in-year costs such as price increases and commitments which are uncertain in terms of their timing and likely cost.</p> <p>Executive Directors must inform the CFO as soon as they become aware of any exceptional items. An appropriate level of contingency can then be provided for.</p> <p>As part of the Revenue Budget, the CFO will ensure that the budget proposed meets relevant statutory requirements.</p>

<p>The Revenue Budget approval must be complete by 11th March each year</p>	<p>The Council is responsible for agreeing the annual budget for services within Portfolios, including the overall capital programme, within the Budget and Policy Framework.</p> <p>The Strategy & Resources Policy Committee will recommend the Budget to Council for final approval together with a recommended level of Council Tax to be set for the coming financial year.</p> <p>To meet statutory requirements this must be done by the 11th March each year.</p> <p>Once the Revenue Budget has been approved by Council, Executive Directors may spend up to the amount approved for the period covered by that budget.</p> <p>Individual items of expenditure within the budget must still be approved in line with the Council's Contract Standing Orders, Procurement Guidelines and must follow the requirements of the Constitution.</p>
<p>Revenue Budget Monitoring is undertaken in line with an agreed timetable</p>	<p>An annual timetable for budget monitoring reporting is produced and the following principles will apply:</p> <ul style="list-style-type: none"> • Monitoring reports, prepared on an accrued basis, will be reported to Portfolio Management Teams monthly (except month 1). • At least quarterly overall monitoring reports will be reported to the Leadership Boards, Finance Sub-Committee and the Policy Committees. <p>As soon as practical after the end of the financial year, the Head of Accounting will report to the the Strategy & Resources Policy Committee on the overall revenue out-turn position including details of reserves, balances and provisions held by Portfolios.</p> <p>The report should include recommendations relating to the treatment of any under and overspending by Portfolios.</p>

Virements and Variations to the Annual Revenue Budget

This section explains what virements and variations are and how they should be approved.

<p>A virement is the transfer of monies from one budget head to another</p> <p>For example, one budget is overspending, or a function has moved from one portfolio or service to</p>	<p>Virements allow the Executive Directors to manage budgets with some flexibility, provided they remain within the overall Budget and Policy Framework as agreed by Council.</p> <p>Key controls for virements are that:</p> <ul style="list-style-type: none"> • They must be approved in line with these Regulations. • They must not create an increase in expenditure, for example by creating future commitments from one-off additional spending. • Both parties to the virement must agree to it. <p>Virements will not be allowed from capital financing charges, levies or other areas of spending without the specific approval of the Head</p>
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another	of Accounting.
Virements between Services and Portfolios must be approved in line with specific limits	<p>Approval of virements must be made in line with the following limits:</p> <ul style="list-style-type: none"> • Less than £500,000: the virement may be approved by the Head of Accounting. • £500,000 and over or represents a major change of policy: the virement may only be approved by the Finance Sub-Committee.
<p>Budget underspends carry forward requests and/ or transfers to reserves</p> <p>The Annual Reserves Strategy</p>	<p>Requests by Executive Directors to set up earmarked reserves, may only be done following approval by the CFO.</p> <p>Approving the in-year flow of money to and from reserves, and/or creating or consolidating reserves is at the discretion of the CFO.</p> <p>The condition for assessing requests for underspend carry forwards is that the overall budget position of the requesting Portfolio cannot exceed its approved budget or its under spending.</p> <p>The carry forward request should be submitted no later than the Month 8 forecast in December.</p> <p>Carry-forwards or transfers to earmarked reserves should be linked to the Revenue Budget and, where possible, identified in the business planning process.</p> <p>Once reviewed by the Head of Accounting, carry forward requests will be presented to the Finance Sub-Committee as part of the quarterly Revenue Budget monitoring process.</p> <p>Approved requests will be included, where feasible, in the Budget Implementation Plan for the relevant Service.</p> <p>An annual Reserves Strategy is produced for approval in line with the Constitution. The Head of Finance & Commercial Business Partnering, or delegated officer, will then manage the need for transfers to and from reserves.</p> <p>Where the proposed transfer does not relate to an approved strategy and is not a restricted grant then, subject to the urgency procedure, the decision may only be taken by Full Council.</p>
Restricted grants and the treatment of the carry forward	<p>The Head of Finance & Commercial Business Partnering, or delegated officer, can approve the transfer to reserves of a restricted grant where the expenditure is not expected to happen in the current financial year.</p> <p>Restricted grants must be used for a specific activity/ purpose and any restricted grant balances carried forward at year end will be drawdown in full in M1 (April) of the following financial year.</p>
Variations are changes to the <u>total</u> amount of expenditure	Variations are changes to the total amount of expenditure across a portfolio, service or the Council as a whole that results in a change to the Council's overall level of resources as set out in the Revenue Budget Report that is approved by Council.
Any changes to	Changes to the overall level of available resources as per the

<p>the overall level of resources set out in the budget must be appropriately approved</p>	<p>Budget must be approved in line with the Constitution.</p> <p>Requests for variations may be submitted to Council for approval as detailed below:</p> <ul style="list-style-type: none"> • Under £500,000 and not representing a major change of policy: may be approved by an Executive Director after consulting with the Head of Accounting and the Chair of relevant Policy Committee. • £500,000 and over or representing a major change of policy: may only be approved by Council in line with the Constitution. These will be proposed by the relevant Executive Director and Policy Committee and actioned by the Head of Accounting. <p>Variations requiring support will be presented to the Policy Committees initially and included as part of budget monitoring.</p> <p>All approved Virements and Variations must be recorded on the Council's Finance System.</p>
<p>Cash Limit Adjustments</p>	<p>Cash Limit adjustments can be done between services, within a service or between months on the Qtier system.</p> <p>If the adjustment does not meet the definition of a virement and is under £100,000, these can be signed off by the relevant Finance Manager (one for each side of the transaction).</p> <p>Over £100,000 and a Senior Finance Manager for the Portfolio will need to authorise the adjustment.</p>

Borrowing and Investment (Treasury Management)

The Council must make sure it has sufficient money to cover payments, such as salaries, supplier payments and interest payments, when they become due.

This section outlines the arrangements for entering and agreeing any borrowing or investments that may be required.

<p>Treasury Management involves undertaking investments and borrowing transactions for the Council</p>	<p>An annual Treasury Management Strategy is produced for approval by Council in line with the Constitution. This covers the borrowing and investment strategies and Capital Programme financing.</p> <p>The Head of Accounting must ensure compliance with the Treasury Management Strategy.</p> <p>Managing borrowing and investments is key to supporting the Council's Strategic Planning process.</p> <p>The capital programme provides a guide to the borrowing needs of the Council; informing longer term cash flow planning to make sure that the Council can meet its capital spending obligations.</p> <p>The Head of Accounting must agree any borrowing or investment on behalf of the Council. In an emergency the CFO can agree borrowing and investment transactions.</p> <p>Twice per year (mid-year and at the end of a financial year) a report is produced for the Strategy & Resources Policy</p>
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	<p>Committee on treasury management activities, transactions and decisions.</p> <p>The reports will focus on the identification, monitoring and control of risk as this is key to the effectiveness of Treasury Management. The mid-year report is presented alongside budget monitoring information.</p>
<p>If income over £50,000 is expected, the Treasury Team should be notified</p>	<p>Where amounts of £50,000 or over is expected, e.g. completion of property purchases, this must be reported to the Treasury Team.</p> <p>Knowing that a large receipt is due will help the Treasury Team to manage the Council’s cash flow which may well reduce the need for short term loans to cover Council expenditure.</p>
<p>If services have any special payment requirements over £50,000, the Treasury Team should be notified</p>	<p>The Treasury Team should be notified a week in advance of any special payment requirements above £50,000.</p> <p>If this is not possible, to make any special payments, the Treasury Team <u>must</u> be notified by no later than 10am on the day the payment is expected to be made.</p>

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4. Financial Implications

This section explains the process for considering the financial implications of decisions.

Before any decision is made by Officers, the financial implications of that decision need to be considered	<p>The financial implications section of reports must summarise the capital and revenue implications of the proposals, together with details of any potential risks.</p> <p>Officers involved in making decisions (that are not published) must also give proper thought to the financial implications. This includes consulting with their Finance contact where necessary. The implications identified should be documented and retained, in case of future challenge or audit requirement.</p> <p>Whilst it is not compulsory, it is good practice, for reports made to other meetings, such as management team meetings, etc. to also include a Financial Implications section.</p>
Arrangements for the sign-off of Financial Implications	<p>All Financial Implications summaries must be signed off by the CFO, or an authorised officer on their behalf.</p> <p>Only the Head of Finance & Commercial Business Partnering, as the budget holder for the Council's Capital Financing costs, (or officers specifically authorised to do this on their behalf) may approve Financial Implications which impacts on cash-flow.</p> <p>Before signing off Financial Implications, the officer who has prepared the report has taken all relevant advice, e.g. specialist financial, commercial or taxation advice.</p> <p>The name of the Officer who has signed-off the Financial Implications must appear on the Financial Implications section of the covering checklist.</p>

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5. Capital Programme

The following section explains what the capital programme is, factors that are considered when it is planned and the arrangements for approving and amending capital projects.

<p>What is the Capital Programme?</p>	<p>The Capital Programme is a list of planned projects which involve capital expenditure, together with their supporting funds, that are linked to the Council’s outcomes and objectives. The Programme is agreed by Council in March each year.</p> <p>As the Capital Programme is made up of several different projects, the size and scope of the Programme can vary over time.</p> <p>The International Financial Reporting Standards (IFRS) and the Statement of Recommended Accounting Practice (SORP) provide guidance on accounting for Capital projects.</p> <p>The revenue expenditure implications of the proposed Capital Programme will be considered as part of the approval process, as well as the Revenue Budget and MTFS processes.</p>
<p>How is the Capital Programme approved?</p>	<p>The proposed Capital Programme for the next financial year is put together by the Head of Finance & Commercial Business Partnering, together with the Executive Directors.</p> <p>The Programme must be reviewed by the Capital Programme Group before being recommended to the Leadership Boards. It is then taken to the Finance Sub-Committee and/or the Strategy & Resources Policy Committee, before being presented to Council at the same time as the Revenue Budget.</p> <p>Just because a project is included within the Programme, this does not mean it has automatic approval to take place.</p>
<p>What are Capital Approval Forms (CAFs) used for?</p>	<p>CAFs are used to obtain financial approval for projects within the Capital Programme. Capital expenditure can only occur if fully funded, unless any funding gaps are approved by the Head of Finance & Commercial Business Partnering.</p> <p>A CAF must be completed for any new projects added to the Programme, or changes to existing approved projects.</p> <p>A CAF must be approved, via email, by the appropriate manager and include all relevant documentation. The CAF is then approved at the Finance Sub-Committee.</p> <p>The CAF requires the following signatures (email approval):</p> <ul style="list-style-type: none"> • For new projects and changes to existing projects - the signatures of the Project Manager, sponsoring Director, and Capital Team. • For emergency approvals - the signatures of the Project Manager, sponsoring Director, Capital Team, an Executive Director and the Head of Finance & Commercial Business Partnering. • For cases considered sensitive by the Executive Director

	<p>and/or the Head of Finance & Commercial Business Partnering, the signatures of the Project Manager, sponsoring Director, Capital Team and the relevant Policy Committee.</p>
Project Stage Approval	<p>Approval for the Design, Procure and Build stages of a project will not be granted without recommendations from the Head of Finance & Commercial Business Partnering in respect of funding implications. As part of this process the Head of Finance & Commercial Business Partnering will need to consider both the Revenue and Capital implications of these approvals. The level of contractual commitments in future years must be considered.</p> <p>The Project Manager must obtain approval for each stage of the project from the Head of Finance & Commercial Business Partnering, the Chief Property Officer (if appropriate) and the Capital Programme Group.</p> <p>Only the Capital Programme Group can recommend to the CFO the award of a contract for Capital works in line with the Council's Contract Standing Orders.</p> <p>The build stage of a project cannot take place until a thorough review has been completed by the Project Manager. This must be approved by the sponsoring Director, as well as reported to the Capital Programme Group.</p>
What to do if External Funding is used to support a capital project?	<p>If external funding, e.g. a grant is needed to support a Capital project, this must be approved by either the Head of Finance & Commercial Business Partnering or an authorised Finance Officer.</p> <p>If the grant requires the Council to become the Accountable Body for the funding, agreement for this must be obtained BEFORE any offers of funding are accepted.</p> <p>Funding can only be accounted for once all conditions of the grant have been met. Before this point, expenditure must be covered by either the relevant Portfolio's budget, or by corporate funding sources by agreement.</p> <p>If any part of a Capital project involves the Council guaranteeing the liabilities of a third party, then this must also be approved in accordance with the requirements of the Constitution.</p> <p>Capital Grant Funding cannot be used to fund day-to-day revenue expenditure.</p>
Arrangements for making variations to Projects in the Capital Programme	<p>Changes to a project's finance are known as 'Variations'. Any variations made to a project require approval and will depend on whether there are the Capital resources available.</p> <p>For existing projects, the approval levels for variations are:</p> <ul style="list-style-type: none"> • Variations of up to £25k can be approved by the responsible Director. • Variations between £25k and £100k require approval from the Executive Director.

	<ul style="list-style-type: none"> Variations above £100k require Finance Sub-Committee approval. These are raised in the monitoring reports. <p>For approval purposes, the limits apply to the total of all variations since the last time approval was granted was by Council.</p> <p>Virements between Capital projects are not allowed. Any change to a project budget is treated as a variation.</p>
Emergency Approvals	<p>Where an emergency approval is required, this must be obtained in line with urgency procedures in the Constitution.</p> <p>Emergency approvals must also be referred to the CFO, the Head of Finance & Commercial Business Partnering, or delegated officer to act on their behalf.</p> <p>All emergency approvals within a month should be reported to the Finance Sub-Committee in the next monitoring report. If, by the time the decision has been reported, and no action has been taken, the emergency approval may be cancelled.</p>
Slippage and / or accelerated spend within a project	<p>When projects are approved, an annual profile is created which forecasts at which point in the year spending will occur.</p> <p>Accelerated spend occurs when a project has spent more than expected at a set point in time. Slippage occurs when a project has spent less than expected at a set point in time.</p> <p>This should be reflected in monthly forecasts, and Capital Finance should be made aware of the situation.</p> <p>Where spending is forecast to move between financial years, this must be included in the monitoring reports to the Finance Sub-Committee requesting approval.</p> <p>Where an overspend is anticipated, despite actions being taken to prevent this, the overspend must be covered from revenue.</p>
Capital Receipts	<p>Capital Receipts are the proceeds the Council receives from a buyer when it sells a capital asset. This can be used to fund new Capital projects.</p> <p>Any decision on the use of Capital Receipts will be taken as part of the overall approval for the project through recommendation by the Capital Programme Group.</p>
Procurement for capital projects	<p>Directors and Executive Directors must ensure relevant procurement procedures are followed for Capital projects.</p> <p>The Head of Capital Delivery Service (CDS) and the CFO must be made aware of any procurement activity.</p> <p>Where the project is financed, either fully or in part through external funding, then the requirements of the Funder in relation to procurement must also be met.</p>

Roles and Responsibilities

Several specific groups, teams and managers have additional roles in relation to the capital programme. These are included in the table below:

The Capital Programme Group	<p>Is responsible for:</p> <ul style="list-style-type: none"> • Overseeing Capital Management. • Providing advice and recommendations to the Leadership Boards on new projects. These recommendations will be made to the Finance Sub-Committee. • Approving variations to existing projects, as well as the progression of projects to their next stages. • Approving the use of Capital receipts and grants.
Directors and Project Managers	<p>Are responsible for:</p> <ul style="list-style-type: none"> • Ensuring that all projects comply with the relevant laws and regulations. Complying with the Constitution. • Complying with the relevant external funding procedures.
Project/ Budget Managers	<p>All projects must be managed in line with the Council’s Project Management Guidelines.</p> <p>Project Managers are responsible for:</p> <ul style="list-style-type: none"> • Considering revenue, environmental, property, and opportunity costs related to a project. • Considering the legal, human resources, equalities impact and sustainability implications of the project. • Considering the impact of VAT on Capital projects and property transactions (disposals, purchases and leasing of land/property) and seek the advice of the Head of Finance & Commercial Business Partnering if required. On a day-to-day basis this advice will be provided by the Council’s Tax Manager. <p>Managing the project within budget and preventing overspends.</p> <p>Project Managers must consider the risks of, and the solutions to, any forecast Capital overspends.</p>
The Capital Team	<p>Are responsible for:</p> <ul style="list-style-type: none"> • Steering a project through the financial approval process, alongside the Project Manager. • Reviewing, quality checking and challenging the monthly actuals and forecast expenditure and income. <p>Reporting monthly on Capital expenditure and its financing, in line with the Capital Projects Approval Route.</p>

Capital Projects Approval Route

The diagram below shows the stages a project must go through to be approved for inclusion in the Capital Programme.



Financial Management and Reporting for Capital Accounts

This section details how projects within the Capital Programme are monitored and reported on.

Financial Management	<p>The Council’s financial management system is used to manage the projects within the Capital Programme.</p> <p>Project Managers are required to carry out monthly monitoring and forecasting for both Revenue and Capital expenditure.</p>
Reporting Process	<p>Monthly Capital reporting is based on CAF, Project Closure Forms (PCF), financial monitoring and approval request reports.</p> <p>At year end, the Head of Finance & Commercial Business Partnering reports on the overall Capital outturn position to the Strategy & Resources Policy Committee and Finance Sub-Committee. The Revenue outturn position is also reported at this time.</p>

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6. External Funding / Grants

External Funding refers to additional resources, above and beyond those normally provided to the Council. This funding can be used to develop and improve the quality of services, better meet the needs of clients or to do something that would not otherwise be affordable.

<p>Accountable Body status must be agreed before any external funding is accepted</p>	<p>The Accountable Body is legally responsible for making sure that the requirements of the funder are met.</p> <p>The decision to agree to the Council becoming the Accountable Body for external funding must be taken BEFORE any offers of funding are accepted, in line with the Constitution.</p> <p>Grant Funder offer letters, or documentation, requiring signature to accept a grant of £1m or more must be completed by the CFO (or deputy) as per these Financial Regulations.</p> <p>Offer letters or documentation of less than £1m can be signed off by any of the Senior Finance Managers (SFM), except for the SFM's that are responsible for Internal Audit and EFT or are not CCAB.</p> <p>Where the Council is guaranteeing the liabilities of a third party this must also be approved in line with the Constitution.</p>
<p>The External Funding Team (EFT) have day-to-day responsibility for the management of external funding</p>	<p>EFT, on behalf of the Head of Finance & Commercial Business Partnering, is responsible for ensuring grant applications and subsequent offers are appropriately completed and authorised.</p> <p>Completing grant claims, statutory grant returns or other grant related documents can be done by the SFM's, except for the SFM's that are responsible for Internal Audit and EFT or are not CCAB.</p> <p>Grant claims of less than £100k can be signed off by the EFT Finance Manager.</p> <p>Grant claims that are submitted via a Funder portal still require sign off as per these Financial Regulations.</p> <p>If a grant requires match funding, EFT will provide guidance on sources of match funding and how this can be evidenced.</p>
<p>Audits of External Funding may be required</p>	<p>Internal and External audits may be carried out. If required, this will be detailed in the terms and conditions from the grant Funder.</p> <p>Any associated costs will need to be funded from the relevant business unit's budget.</p>
<p>Retention of documentation</p>	<p>All evidence required by the funding body must be collected and held in line with the terms and conditions of the grant.</p> <p>Documents supporting European projects must be stored for at least 3 years after the UK receives its final payment to the programme or for the period defined by the Funder.</p> <p>Where the retention period in the grant agreement is longer than the one prescribed in the Financial Records Retention Schedule (Appendix A), the funder's requirements will take priority.</p> <p>In all other cases, the Records Retention Schedule should be</p>

	followed.
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7. Income Management

Many of the services which are delivered by the Council are funded by Government grants and local taxation (Council Tax and Business Rates). There are also some services that service users and other customers pay a fee for.

This section explains how fees and charges are set, how income is collected and what the Council will do to recover debts.

Separate detailed rules apply to Housing Rent, Council Tax, Business Rates and Benefit Overpayment debt, so the Regulations below do not apply to these.

Refer to [section 20](#) for Council Supply Agreements.

Roles and Responsibilities

Committees and Officers involved in the sundry debt process have the following specific roles and responsibilities in relation to income management:

Policy Committees	<p>Policy Committees are responsible for agreeing fees and charges in relation to their Portfolio areas, other than any set by Full Council as part of the budget process.</p> <p>The fees and charges must be in line with the MTFS and any policies in respect of fees and charges</p>
All Officers involved in the sundry debt process	<p>Officers who are responsible for raising invoices, credit notes, refunds, debt recovery and write-offs must not carry out these activities where they relate to debts owed by themselves or family members, or where they have a vested interest.</p>
Officers with Authority to collect cash	<p>Only officers with specific authorisation from their manager may collect cash on behalf of the Council. These officers will be issued with a “Style 1” photo identification card, which clearly states that they are authorised to collect cash.</p> <p>Before any new Style 1 photo identification card is issued, the request must be approved by the Head of Revenues & Benefits, or delegated officer, in line with the procedure for the issue of photo identification cards.</p> <p>Managers should keep a register containing details of the style of card held by each member of staff and ensure that the card held is appropriate to the officer’s current duties.</p>

Separation of Duties

The system in place for the collection and banking of income must include separation of duties between the different functions as a key form of internal control. This means that a single person should not be responsible for all the activities related to the collection and banking of income. The activities should be carried out by different people. This is to help prevent fraud.

To comply with this principle, Managers must ensure that an officer does not carry out functions from both Table 1 and Table 2 (below) in any given period. This ensures that, for example, an officer does not check that the amount of money they themselves have collected equals the money that they have banked.

Table 1

Function	Examples
Identifying charges or taking a booking	Telling a customer the cost of a particular service, e.g. removing a wasp's nest. Booking an appointment for removal of a wasp nest.
Billing	Sending an invoice (if appropriate to do so).
Collection and receipt of income	Collecting the payment, irrespective of the method of payment (i.e. cash/ credit card) for removing the nest and giving the customer a receipt for the payment. Receipts might be a 'till receipt' or handwritten one from a preprinted receipt book.

Table 2

Function	Examples
Reconciling receipts to income	Adding up the payments received, and all the receipts issued and then making sure they come to the same amount.
Banking income	Doing the Cash Management lodgment journals so the income appears on the finance system as being in the bank. This also puts it into the correct Business Unit. Arranging for cash to be physically put into the Council's Bank Account. This may be done via the cash collection service – currently provided by LOOMIS.
Monitoring income received, banked and outstanding	Checking money that has been banked equals the amount that is on the receipts. Monthly monitoring of outstanding debts.

When money needs to be transferred between members of staff, this must be evidenced by the recorded signature of the officer receiving the money.

Paying Fees and Charges

All systems and processes related to customer payments must comply with all relevant legal and security requirements, e.g. the Payment Card Industry Data Security Standard (PCI DSS), which is a set of guidelines designed to help keep customer's payment card data secure.

Non-invoiced income	Wherever possible, customers should be asked to pay for services up-front or at the time they receive the service they are paying for. Allowing customers to pay on credit, e.g. by issuing an invoice, should be avoided as often as possible. This reduces both the potential for
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	<p>invoices not being paid by customers and the administration costs to the Council.</p> <p>The Council is legally required to provide a tax invoice, if a customer asks for one. Any requests received should be referred to the Tax Team within Finance & Commercial Services.</p>
<p>Invoiced Income</p>	<p>The minimum value for a sundry debt invoice is £25. If a Council service area wishes to raise an invoice for lower than this amount, they will need to obtain the approval of the Head of Revenues & Benefits, or delegated officer.</p> <p>All sundry debt accounts must be raised on the Accounts Receivable section of the finance system unless exceptions have been agreed with the Head of Revenues & Benefits, or delegated officer.</p> <p>Invoices should be issued within 10 working days of the:</p> <ul style="list-style-type: none"> • goods or services being supplied, or • month end if there is an on-going service provision. <p>In line with standard accounting practice, income will be credited to the relevant Business Unit at the point the invoice is raised on the finance system - not when the money is received.</p> <p>To comply with all relevant HMRC regulations, the date of the invoice must be within 60 days of the actual date that the goods or services were supplied. If you cannot meet this timescale, you must contact the Council's Tax Manager for advice.</p> <p>The information on the Sundry Debt invoice must be correct, complete and supported by all necessary and relevant evidence to show that the Council is actually owed the income. If debt recovery action needs to be taken, including Court proceedings, this evidence will be required.</p> <p>Officers raising invoices are also responsible for ensuring that the correct amount of VAT is applied. If an officer is not sure what the correct VAT treatment is, they should contact the Tax Team.</p> <p>To ensure that invoices are raised correctly, they must only be raised by officers who have had appropriate training.</p>

Standard Payment Methods

Only the payment methods outlined in the tables below can be used by all Services and partner organisations. These are the payment methods which have been approved by the Head of Revenues & Benefits.

Not all methods are relevant to every Council service area or customer group, but they are all the options the Council will support.

Debit/Credit cards (including the payment of transaction fees)	<p>The Council will accept all major debit and credit cards, except American Express, Diners Club, JCB and Solo.</p> <p>Credit cards may be used for both non-commercial debts (such as Business Rates and rent arrears) and commercial debts (such as hire of sporting facilities and pest control).</p> <p>Card transaction fees will be funded centrally from within Finance & Commercial Services, subject to annual reviews of costs. They may also be recharged to the Housing Revenue Account.</p>
Direct Debits	<p>Direct debits must only be used to collect payment:</p> <ul style="list-style-type: none"> • For invoices that are raised on a regular basis (e.g. monthly rental agreements). • Where an arrangement to pay an invoice in instalments has been agreed by the Head of Revenues & Benefits, or delegated officer. <p>Direct debits should not be used where the annual value to be collected is less than £100. This amount may be changed at any time by the Head of Revenues & Benefits.</p> <p>If a customer's Direct Debit fails twice in a 12-month period then the option to pay by Direct Debit must be withdrawn from that customer and may only be reinstated with the agreement of the Head of Revenues & Benefits, or delegated officer.</p> <p>Under the Direct Debit Guarantee scheme, the Council must give customers at least 10 working days notice if the amount that is due to be collected will change. If the amount changes on a regular basis, such as Home Support, an invoice must be issued. This is for information purposes only and the customer does not need to pay the invoice separately to their Direct Debit.</p>
Cash	<p>The option of cash payments is considered on a case-by-case basis.</p> <p>Cash can be used to pay bills at Post Offices and PayPoint outlets subject to maximum values of £1000 and £200 respectively.</p> <p>Where there are significant cash payments, i.e. £1,000 or more in cash, or up to £2,500 in linked transactions, officers should check the identity of the client as per the Council's Anti-Money Laundering Policy.</p> <p>Payments in cash must not be accepted by employees of the Council or any of its agents where the amount is over the current limit of £2,500. This limit is set by the Council's MLRO.</p>
Administration Costs	<p>If there are any administrative costs associated with implementing a particular payment method, this will be funded by the Service requesting the method.</p>
Expected income over £50,000	<p>Where amounts of £50,000 or over is expected, e.g. completion of property purchases, this must be reported to the Treasury Team.</p> <p>Knowing that a large receipt is due will help this Team to manage the Council's cash flow, which may well reduce the need for short term</p>

loans to cover Council expenditure.

Payment Channels

The following tables outline the payment methods and payment channels for both invoiced and non-invoiced income:

Invoice/ Not Invoiced	Payment Method	Payment Channel
Invoice/ Not Invoiced	Credit or debit card online via the Council website.	On-line - Customer self-service
Invoiced	Credit or debit card using an automated telephone service.	Telephone - Customer self-service
Invoice/ Not Invoiced	Credit or debit card over the phone where a member of staff transfers the customer to Call Secure so they can enter the payment details using touch-tone functionality.	Telephone - Customer assisted service
Invoice/ Not Invoiced	Credit or debit card using chip-and-pin machine (either mobile or at a Council/ partner office).	Face to face - Customer assisted service
Invoiced	Cash at a Post Office; or PayPoint up to a certain value.	Face to face - Customer assisted service
Invoiced	Cheques and debit card at a Post Office up to a certain value.	Face to face - Customer assisted service
Invoiced	Direct Debit – within the parameters set by the Head of Revenues & Benefits.	Face to face - Customer assisted service
Invoiced	BACS/ CHAPS – within the parameters set by the Head of Revenues & Benefits.	Face to face - Customer assisted service

Credit Notes and Refunds

The following section outlines the use of credit notes and refunds on invoiced income.

<p>Credit notes are used to correct an invoice that has been raised incorrectly</p>	<p>Credit notes are issued to customers to correct an invoice that has been incorrectly raised. However, credit notes represent a control risk and as such must be appropriately authorised. Credit notes must be authorised by the manager responsible for the corresponding budget.</p> <p>Customers can use credit notes to pay future invoices, but they can also request a refund if they have already paid an incorrect invoice, or paid money into a Council bank account in error. Refunds may only be actioned by the Head of Revenues & Benefits, or delegated officer.</p> <p>Where a refund is for a significant amount, i.e. £1,000 or more, officers should check the identity of the client in line with the Council's Anti-Money Laundering Policy, fees and interest charges.</p>
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Banking of Collected Income

The following section outlines arrangement for receipting, storing and banking collected income.

All income must be receipted and banked promptly	<p>All income received by the Council must be receipted and paid into the appropriate bank account as soon as possible following the procedures approved by the Head of Accounting for the banking of income.</p> <p>Income must be paid into the bank account in full. Third party and personal cheques must not be cashed from monies held on behalf of the Council.</p>
Collected income must be stored safely and adequately insured	<p>Executive Directors are responsible for ensuring that all income collected prior to banking is kept in a safe location and that adequate insurance cover has been arranged.</p> <p>The amount of cash which a Service can keep in a safe overnight will depend on the insurance arrangements. If the amount needed to be stored is higher than the agreed limit, then arrangements must be made to bank the income as soon as possible.</p>
Reconciliation of receipts to banked income should be performed at least monthly	<p>Reconciliation of receipts to banked income should be performed at least monthly. The higher the value and quantity of the receipts, the more often reconciliations should be performed.</p> <p>Staff responsible for reconciliation should not be involved in day-to-day banking or receipting procedures. There needs to be a clear separation of duties.</p>

Debt Recovery

The Council will do everything in its power to recover money owed to it. The following sections outline the recovery process and debt management arrangements.

Recovery Process	<p>The Council's standard payment terms and conditions state sundry debts should be paid immediately and in full, unless there is a contract in place to agree alternative payment terms, or unless the debt is payable by installments.</p> <p>The Council will do everything within its power, up to and including Court action, to recover money owed to it. The costs of recovering sundry debts, including court fees, will be funded by the relevant Business Unit which is owed the debt.</p>
Arrangements to Pay	<p>If a customer is unable to pay the full amount of a sundry debt invoice immediately, arrangements can be negotiated to clear the debt in the shortest possible amount of time.</p> <p>These arrangements can be negotiated by the ICAM Team on behalf of the Business Unit Manager, or directly by the Manager. If the Business Unit Manager chooses to negotiate arrangements themselves, they must tell the ICAM Team so that the arrangement can be documented and monitored.</p> <p>The Head of Revenues & Benefits, or delegated officer, must agree</p>

	<p>payment arrangements that last longer than 12 months.</p> <p>If the customer does not follow the arrangement to pay, then debt recovery action will be commenced or continued.</p>
Interest on late payment of debt	Interest on late payment of debt by commercial customers will be applicable where agreed by the Head of Revenues & Benefits.
Disputed Debts	<p>A 'dispute' is an issue that must be resolved before a customer pays an outstanding sundry debt.</p> <p>When a debt is put into dispute, debt recovery action is suspended to allow time for the issue to be resolved.</p> <p>The relevant Business Unit Manager is responsible for resolving the dispute and they must do so within 28 days.</p> <p>Where the Business Unit Managers thinks that a longer timescale is required to resolve the dispute, they must contact the ICAM Team to request an extension.</p> <p>The request must be supported by details about the customer, what the dispute is about, and the extra time required.</p> <p>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.</p>
Legal action	<p>Legal action will only be used as the last resort in the recovery process, and the final decision to act will be made by the ICAM Team Finance Manager.</p> <p>Legal action will only be taken if:</p> <ul style="list-style-type: none"> • The full end to end legal enforcement process can be used (e.g. County Court bailiffs, High Court Enforcement action, etc.). • The total balance of the debt is greater than £500. The ICAM Team Finance Manager can agree to lower this balance. • The debt is less than 12 months old, meaning the invoice date is less than 12 months ago. This deadline may be extended in exceptional circumstances by the ICAM Team Finance Manager.

Bad and Doubtful Debt Provisions

When an invoice is raised, the Business Unit is immediately credited with the income, but if the debt is not paid within 60 days, the Business Unit Manager should not rely on that income to cover expenditure.

Bad and doubtful debt provision	<p>Unless agreed otherwise by the CFO, if a debt is not paid by day 60 after the invoice date, the Business Unit will be debited to make full provision for the debt not being paid. This means that money is set aside in the Council's accounts to cover the possibility of the debt not being paid.</p> <p>Exceptions to this can only be approved by the Head of Revenues &</p>
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	<p>Benefits. A list of the agreed exceptions is kept by the ICAM Team.</p> <p>At the year-end, a bad debt provision will be estimated based on historic trends in debts not being recovered.</p> <p>Creating a provision for bad or doubtful debt does not mean that recovery action will stop. The Council will continue to take recovery action after the provision is made.</p>
Payments received after 60 days	<p>Unless agreed otherwise by the CFO, if an outstanding debt is paid after day 60 and before day 91 the Business Unit will be credited with 50% of the income. The remaining 50% will be diverted to help balance the Council's overall budget.</p> <p>If the debt is paid after day 90, 100% of the income will be diverted to help balance the Council's overall budget and the Business Unit will not receive any income.</p>

Bad Debt Write-offs

If recovery action is unsuccessful, the Council may write-off debts or register the debt as a local land charge. The following section explains these processes.

Write-off of bad debts	<p>Bad debt write-offs will usually be done after 12 months have passed since the invoice date and all debt recovery procedures have been attempted, unless:</p> <ul style="list-style-type: none"> • The debt is covered by an on-going payment arrangement. • There is on-going action, up to and including Court action, to recover the debt. • The debt has been recorded on the Local Land Charges Register. <p>Write-offs must be proposed by the Executive Director of the Portfolio which holds the debt. A list of proposed write offs will be passed to the Head of Revenues & Benefits to approve.</p> <p>The ICAM Team, on behalf of the Head of Revenues & Benefits, will then update Integra to complete the write off.</p> <p>If a debt is to be written off a full provision must have been created.</p> <p>The Head of Accounting will report debts, and changes in the bad debt provision, to the Audit Committee as part of the annual accounts process.</p>
Local Land Charges	<p>One option for recovering a debt is to register the debt as a local land charge.</p> <p>By law, the Council must keep and regularly update a register of all the local land charges they have created, 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. This is known as the Local Land Charges Register.</p> <p>Anybody who is thinking of purchasing a piece of land or property can then search the register and establish if there are any charges.</p>

	<p>When Services secure a Sundry Debt account in the Local Land Charge Register, the following will apply:</p> <ul style="list-style-type: none"> • Sundry Debt accounts recorded in the Land Charge Register will be managed using the Council’s standard debt recovery process and taking a bad debt provision. • The Business Unit Manager who is responsible for any debt that is listed in the Land Register must ensure that the debt is still valid and collectible on an annual basis. • Debts covered by a Land Charge that remain outstanding after 6 years will be reviewed by the Head of Revenues & Benefits to determine whether the debt should be written off. <p>The above requirements relate specifically to sundry debt invoices, and do not apply to any debts in the Local Land Registry manually raised outside of the Finance System.</p>
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8. Purchasing

Roles and Responsibilities

Budget managers and all officers involved in the P2P process have the following specific roles and responsibilities:

Budget Managers	<p>Ensuring that the Council is obtaining value for money, and that all expenditure complies with the Council’s Contract Standing Orders.</p> <p>Using in-house and existing contracted providers wherever possible. If not possible, advice must be sought from Finance & Commercial Services on choosing an alternative supplier.</p> <p>Complying with the relevant procurement processes, with all steps documented and evidenced.</p> <p>Declaring any relationships with existing or potential Council contractors prior to obtaining quotations or awarding of contracts.</p>
All Officers involved in P2P process	<p>Referring to the Council’s Contract Standing Orders for details of procurement procedures, with special attention to the need to use in-house and existing contracted providers.</p> <p>Formally declaring any relationships with existing or potential Council contractors, prior to obtaining quotations, or the awarding of contracts. (Failure to do so may be punishable as a criminal offence)</p> <p>Withdrawing from any P2P process when either they themselves, a member of their family or one of their close associates are involved directly or indirectly with the transaction.</p>

Ordering and Authorisation of Expenditure

This section covers the principles of procurement in the Council. These are standard across the Council and must be complied with unless written exception has been approved by the CFO.

<p>General Procurement Principles</p>	<p>All orders for goods or services are to be placed on the Council's Finance system. The controls, approval routes and processes detailed in these regulations will apply.</p> <p>All procurement must comply with Contract Standing Orders and the Constitution. Any breaches are immediately reported to the CFO.</p> <p>Suppliers of the Council must have the necessary HMRC certification enabling them to be paid through the Council's payments system.</p> <p>Contractors who do not comply with these conditions, or those who do not provide the necessary evidence, should be set up as temporary employees and paid through payroll.</p>
<p>Ordering of Goods and Services</p>	<p>A Purchase Order is required for all purchases and must be fully approved before requesting the supply of goods and services.</p> <p>Exceptions to this would be for the payment of those deemed as 'employed' by the HMRC Employment Status Enquiry Tool, for which payment has to be made via Payroll in order to account for the correct taxation, recurring payments, 'multiple' and 'one-off' payments.</p> <p>Verbal orders should take place only in exceptional circumstances and should be followed immediately by a fully authorised order. Officers making verbal orders will be asked to support their decision by the Head of Accounting.</p> <p>Orders must fully detail the goods and services to be supplied and the budget from which the expenditure is to be met. Final costs or an estimate of the costs (net of VAT) should also be provided in the order.</p> <p>Orders can only be raised for goods and services provided to the Council or for official Council business. Individuals must not raise official orders for their own private use.</p> <p>Variations to an order can only be made if properly authorised, issued orders cannot be verbally amended.</p>
<p>Procurement Cards</p>	<p>A small number of credit and procurement cards are available. The use of credit/ procurement cards is intended to complement, rather than replace, the Purchase Order procedure, and should only be used when the use of a Purchase Order is not possible.</p> <p>Executive Directors must promptly inform the Head of Accounting, if action must be taken to cancel stolen or lost cards, or those issued to employees who have resigned from the Council.</p>
<p>Authorisation of Expenditure</p>	<p>Before authorising an order, approvers must ensure that the decision to spend the money has been taken in line with the Constitution.</p> <p>These Officers must also ensure that the Council's procurement rules and Contract Standing Orders have been complied with before approving.</p> <p>Approvers should be satisfied that:</p> <ul style="list-style-type: none"> • The Order represents a legitimate cost to the Council.

	<ul style="list-style-type: none"> • The required checks have been evidenced and necessary documentation attached. • Sufficient budgetary provision exists to cover the payment. • Expenditure will be paid through the correct business unit.
An Authorisation Matrix will be held in the Finance System	<p>A list will be held in the finance system containing the officers authorised to approve Purchase Orders, Recurring Payments, Foreign Payments and Individuals paid via payroll.</p> <p>Non-order payments, e.g. multiple, one-off, BACS, CHAPS payments, direct creditors payments or Interfaces must only be used in exceptional circumstances and must only be approved by the Head of Accounting, in consultation with the FDA.</p> <p>This matrix will apply to all orders including those connected to the spending of grant funding, payments made by the Treasury Team, contract payments and partnership arrangements.</p> <p>A report approving a grant payment or awarding a contract will not over-ride this authorisation hierarchy.</p> <p>This hierarchy, in conjunction with approval from the Head of Accounting and assurance from the FDA, will apply to the authorisation of payments that do not require a Purchase Order.</p>

Authorisation Matrix

All Purchase Orders must be approved in line with the Council’s authorisation hierarchy levels, as set by the CFO and shown below:

Order Amount	Financial Approval Limits
< £100	No further financial approval
Up to £250	Supervisor / Line Manager
Up to £500	Middle Manager
Up to £2,500	Business Unit Manager
Up to £25,000	Assistant Head of Service / Assistant Director
> £25,000	Head of Service / Director / Assistant Chief Executive / Chief Executive

Delivery of Goods and Services

The following section details arrangements for checking and receipting goods and services.

Goods receipting	<p>When goods/services are delivered, they should be checked against the following to ensure the delivery is correct:</p> <ul style="list-style-type: none"> • Cost. • Quantity. • Quality.
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	<ul style="list-style-type: none"> • Fitness for purpose. <p>Delivery notes must be retained in accordance with the Financial Documents Retention Schedule (appended to these Financial Regulations). Where possible, the reference from these documents should also be recorded in the Finance system.</p> <p>Officers are required to enter a receipt (Goods Received Note) on the Council's finance system to confirm delivery of the goods or services.</p>
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Payments to Suppliers

The table below details the arrangements for paying supplier invoices together with the standard payment terms of the Council.

Supplier invoices	<p>Suppliers will be expected to provide an electronic invoice. These should be sent directly to the accounts payable processing facility, as detailed on the Council's Purchase Order.</p> <p>Where paper invoices are unavoidable these should be sent directly to this same address for prompt processing. On no account should they be sent to the service requesting the supply.</p> <p>Failure to adhere to this rule may result in delays to the payment process. Paper invoices will be scanned and attached to the invoice records.</p>
Payments	<p>No payment will be made unless it is supported by an authorised Purchase Order and Goods Received Note, to acknowledge the receipt of goods and services.</p> <p>Exceptions to this are Recurring, Multiple, One-Off, Individuals paid via Payroll, Foreign Payments and purchases made using a Credit or a Procurement Card.</p> <p>Where the details on the supplier invoice, the Goods Received Note and the Purchase Order are the same, the matching process will clear the invoice for payment. This is referred to as a 3-way matching process.</p> <p>Where the details are not the same, the order raiser should liaise with the supplier to resolve the mismatch.</p>
Standard payment terms	<p>The Council's standard payment terms are to make payment within 30 calendar days of the invoice date.</p> <p>Any variation to this standard must be agreed by the Head of Procurement, either as part of the letting of a contract or by ad-hoc exception to the standard terms.</p> <p>Where a supplier makes a request for payment in advance, advice must be sought from the Head of Procurement.</p>

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9. Internal Charges

This section explains what internal charges are, and when they will be used.

<p>Internal charges are used to recharge costs between services/portfolios</p>	<p>The Council’s internal charging system covers:</p> <ul style="list-style-type: none"> • Specific ordering and the recharges for these. • Agreed Annual Service Level Agreements and the recharges for these. • Overhead apportionment.
<p>All parties must be clear that the charging system exists</p>	<p>A key requirement of the internal charging system is that both customers and suppliers are clear that the system is in operation and that they adhere to the relevant procedural guidance.</p> <p>This includes the need for an internal order and the use of specified financial codes.</p>

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10. Payroll, Expenses and Petty Cash Floats

This section details arrangements for payments to all employees and the use of petty cash.

<p>Payroll</p>	<p>Payments to all employees and former employees of the Council must only be made under arrangements approved and controlled by the Director of HR & Customer Services and approved by the Head of Accounting. This includes, salaries, wages, pensions, expenses, and any other payments.</p> <p>Amendments to the payroll, e.g. for absences and variations to pay, is limited to those Officers authorised to do so.</p> <p>Payment of fees to individuals who are not Council employees must be made through the P2P system, in accordance with HMRC requirements and relevant procedures laid down by the CFO</p> <p>All Payment and personnel records must be held securely.</p>
<p>Expenses</p>	<p>Members and officers are only entitled to incidental, subsistence and travel expenses if these are incurred legitimately in performing Council duties.</p> <p>Claims must be made in line with relevant Council policies including the requirement to upload receipts to the iTrent (Payroll/HR) system. All such payments will be made through the payroll system and are paid in line with the agreed policy and rates.</p> <p>Payments of expenses to individuals who are not Council employees must be made through the P2P system, following the procedures set out by the CFO.</p> <p>Any Expense incurred by agency staff is included in the Agency charge and paid through the P2P system.</p>

<p>Petty Cash – payments from a float and reimbursements</p>	<p>The use of money from petty cash floats must be limited to non-payroll related expenditure up to a maximum of £25, which does not justify an order being raised through the P2P system.</p> <p>Petty cash should not be used for the payment of regular suppliers other than in exceptional circumstances, with prior approval from Heads of Service.</p> <p>Wherever possible purchases should be made in advance and, if applicable, VAT receipts provided before the petty cash is issued.</p> <p>At the manager’s discretion, a maximum of £5 employee-related expenses may be paid from a petty cash float where an employee has been asked to travel to meet a service need and has no way of funding this.</p> <p>The following rules apply to the use of petty cash floats:</p> <ul style="list-style-type: none"> • Personal or third-party cheques must not be cashed. • Money cannot be borrowed from petty cash floats. • Private monies must not be used to supplement the floats. <p>Cash income from other sources must not be used to reimburse petty cash unless specific arrangements are in place.</p> <p>Officers who have been assigned responsibility for a float must follow the administration procedures of petty cash floats as laid down by the Head of Accounting.</p>
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11. Bank Accounts and Credit Cards

The following sections details arrangements for opening and closing bank accounts, banking transactions, credit cards and reconciliations. On a day-to-day basis these responsibilities are carried out by the Treasury Team.

<p>Bank Accounts</p>	<p>Bank accounts can only be opened or closed in the name of Sheffield City Council with the authority of the Head of Accounting. This includes associated bank accounts which the Council does not directly control, such as joint arrangements.</p> <p>The Head of Accounting is responsible for all negotiations of banking terms with the Council’s Bankers and is approved to authorise the execution of Amendment Agreements when required.</p> <p>All stand-alone systems which create payments and do not link with the financial ledgers must have a separate bank account and subsequent local reconciliation responsibilities.</p> <p>The Payroll interfaces and systems which create BACS files or print cheques are currently the stand-alone systems which have these additional requirements.</p>
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Banking transactions	<p>The authorised signatories list for banking transactions is developed and approved by the Head of Accounting.</p> <p>Authorised signatories will normally be senior Finance officers, as per the Financial Protocol.</p>
Credit/ Procurement cards	<p>Credit cards, charge cards and other payment cards held in the Council's name are opened, closed and managed by the Head of Accounting.</p>
Reconciliations	<p>Bank reconciliations and reconciliations of credit cards, etc. are completed on at least a monthly basis by an officer who is not responsible for the processing of transactions through the bank accounts.</p> <p>The Head of Accounting, or delegated officer, is responsible for ensuring that reconciliations, together with supporting documentation, are reviewed and appropriately certified.</p>

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12. Taxation

The following section outlines the arrangements for managing the impact of VAT.

Overall aim to maximise VAT recovery and minimise unrecoverable VAT incurred	<p>The overall aim of SCC in relation to taxation is to maximise VAT recovery where this is consistent with effective delivery of the service, while minimising the level of irrecoverable VAT being incurred.</p> <p>In practice this means:</p> <ul style="list-style-type: none"> • Ensuring that VAT is properly accounted for on all transactions entered by the Council. • Keeping VAT records with a proper allocation of costs to exempt and other activities. • Complying with all VAT legislation and regulations. • Monitoring and planning for any changes in VAT legislation or regulations.
The Tax Team	<p>An appropriately skilled team has been established to manage the Council's VAT responsibilities. This Team will receive all training necessary to provide appropriate service delivery and challenge.</p> <p>The Tax Team prepare and submit VAT Returns to HMRC. Such returns are submitted at times to maximise the cash flow benefit to the Council, but no later than the deadlines agreed with HMRC.</p> <p>Where required appropriate external advice is sought where the tax implications of a project are sufficiently complex.</p>
Tax avoidance	<p>SCC will not knowingly and actively co-operate with third-party schemes designed purely for tax avoidance purposes.</p>
Penalties and	<p>Portfolio budgets will bear the financial impact of any penalties or</p>

charges	other charges imposed by HMRC for transactions entered into by that Portfolio.
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13. Stores, Stock, Assets and Security

This section details the controls required to effectively manage stores, stock and assets.

Stores and Stock	<p>Access to stores is controlled and measures are in place to ensure that stocks and assets are only used on Council business.</p> <p>Appropriate records must be maintained for adding new stock to stores and for controlling the issue of items.</p> <p>The record of stock levels for each item is physically checked at a frequency agreed by Executive Directors, which reflects factors such as stock values, usage, etc.</p> <p>At the end of each financial year a certificate of the stock value held by each Portfolio, as well as information required for the accounting, costing and financial records.</p> <p>This should be provided to the Head of Accounting.</p>
Assets and Security	<p>An inventory of all assets over £100 in value, together with all attractive and portable items below this figure is maintained within each portfolio. The inventory will include the make, model, serial number and purchase value of each item.</p> <p>Items should be recorded promptly in the inventory, at the point of purchase.</p> <p>A physical check of assets is undertaken on an annual basis. This should be completed by an officer not involved in control of the inventory.</p> <p>The Head of Service will be informed of obsolete or missing items for approval to write-off. Following formal, documented approval, the inventory records should be amended accordingly.</p> <p>A register of assets removed from Council premises for use on official Council business is maintained by each portfolio. This includes assets such as laptops, mobile phones and RAS cards issued to officers.</p> <p>Assets should not be used other than for official Council purposes or in line with arrangements sanctioned by Council, an Executive Director or Director.</p> <p>All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner.</p> <p>All information assets must always be appropriately protected. Further details can be found in the Council’s Information Governance</p>

	and Security Policy.
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14. Retention of Records

The following section details requirements for retaining records.

Record retention	<p>All records must be managed in line with the Council’s Document and Records Management Policy.</p> <p>Records must be retained for a period that meets the requirements of HMRC, the Council’s External Auditors and any other appropriate Body or Funder.</p> <p>The Financial Records Retention Schedule, provides guidance on appropriate retention schedules (Appendix A).</p>
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15. Financial Systems

The following section outlines the key function of the finance system and how it is controlled.

Integra	<p>The Council’s finance system (Integra) is the source of accounting and financial information to produce the Annual Financial Accounts.</p> <p>Any Portfolio systems that feed into Integra must have robust financial controls in place for ensuring both the accuracy and security of the data.</p> <p>Access to all Council’s systems must be controlled.</p> <p>Data on these systems, whether held as hard copy or in electronic format, must be retained in accordance with domestic data protection legislation. BCIS should be consulted for advice and guidance on data protection and information management issues.</p> <p>Prior to the purchase and implementation of any new computerised financial systems, including any income collection systems, the CFO and BCIS must be consulted.</p>
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16. Accounting

The following section details arrangements for producing the Council's Accounts as well as accounting requirements throughout the year and at year-end.

Statement of Accounts	<p>The Council's Accounts are produced annually for approval by the Audit & Standards Committee.</p> <p>The Accounts must present a true and fair view of the financial position and transactions for that financial year and must be prepared in accordance with statutory requirements and all applicable professional Codes of Practice.</p> <p>The Accounts will be prepared on an accruals basis.</p> <p>The Accounts will be prepared on a prudent basis with income only included if it is likely to be received. Proper allowance should be made for known liabilities and losses.</p>
Accounting during the Financial Year	<p>All Accounts and Accounting Systems must be properly maintained throughout the year to provide timely and accurate information.</p> <p>All financial transactions must be adequately supported and referenced back to original documents and working papers, which started the transaction.</p> <p>Control Accounts, Holding and Suspense Accounts must be reconciled at least monthly. Reconciliations must be produced and authorised by Officers not directly responsible for the transactions in the accounts.</p>
Year-end requirements	<p>Each financial year end the Head of Accounting will produce a timetable and guidance to produce the Final Accounts.</p> <p>All balances on Control Accounts, e.g. Account Receivables Control, must be explained. Balances may only be carried forward into the next year if there is a reasonable prospect that they will be cleared.</p> <p>The Accounts for the year should be “closed” at the end of business on 31st March and all income received and payments made to that date must be accounted for. The Officers responsible must certify sums held, i.e. not banked, at the close of business on 31st March.</p> <p>Accruals must be supported by evidence and the Head of Accounting will require evidence for material accruals. The process and amounts will be included in the year-end guidance issued on behalf of the Head of Accounting.</p> <p>The Officers responsible for cash floats and other cash accounts must balance and certify the amount of cash held at the close of business on 31st March. Officers responsible for stocktaking must certify the value of stock/ stores at close of business on 31st March.</p> <p>Expenditure and income due for the year, but not paid or received by 31st March must be accounted for. The Officers responsible must certify the transactions concerned.</p> <p>Appropriate working papers, records and prime documentation must be maintained in support of the above requirements. These will be used to support the Accounts and provide a clear Audit trail for the</p>

	external auditors.
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17. Internal Audit

This section outlines the role and remit of Internal Audit.

Internal Audit	<p>A continuous internal audit of all the Council’s financial records and operations must be maintained.</p> <p>Internal Audit has the authority to access any Council officer and information necessary to carry out their duties on behalf of the CFO.</p> <p>An annual audit plan is prepared by the Senior Finance Manager (Internal Audit) and agreed by the Audit & Standards Committee and the CFO.</p> <p>The strategy for Internal Audit work is to focus on areas of high-risk activity to provide assurance that risk and internal control systems are being properly managed by Directors in service areas.</p> <p>As part of the audit planning process Executive Directors are responsible for managing risk and for informing Internal Audit of the risks in their area. They are also responsible for agreeing and implementing relevant Audit recommendations.</p> <p>Internal Audit reports on the output of its activity to the Council’s Audit & Standards Committee. The Senior Finance Manager will provide an annual audit opinion to assess the adequacy of the risk management, governance and internal control framework.</p> <p>This opinion supports the Annual Governance Statement.</p>
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18. Companies, Joint Ventures, Partnerships, Joint Committees etc.

This section details the arrangements where the Council has a controlling or minority interest in a Company, Joint Venture, Partnership or Joint Committee.

Companies, Joint Ventures, Partnerships and Joint Committees	<p>Where the Council has a controlling interest in Companies, Joint Ventures, Partnerships, Joint Committees, or is the Lead Authority, then these organisations will be required to use the Council’s finance system and to follow these Regulations.</p> <p>Where the Council is involved as a minority interest in partnership arrangements or Joint Committees that use their own finance systems, the CFO must agree the arrangements for robust financial governance control.</p> <p>The controls in these Regulations will be used as a starting point for that agreement.</p> <p>No agreement shall be entered into with a Partnership which</p>
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	<p>commits the Council to additional expenditure or other financial risk without approval as set out in the Constitution.</p> <p>The relevant Executive Director, in conjunction with the CFO will report at least annually to the appropriate Policy Committee on the financial affairs of the partnership body.</p>
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19. Grant (Gift) Arrangements

The following sections outlines the control and approvals required for grant (gift) arrangements.

Grant (Gift) Arrangements	<p>Any funds set aside from which to make individual grants must be properly approved in line with the Constitution.</p> <p>All grant payments to voluntary organisations (or other recipients) must be approved in line with the Constitution, these Financial Regulations and all other relevant documentation.</p> <p>Where a grant payment is withdrawn or reclaimed, Executive Directors are responsible for ensuring that this is agreed in line with the Constitution.</p> <p>The external relationship with any recipient of grant aid must be managed in line with all guidance provided by the Director of Legal & Governance.</p> <p>Any Grant/ Gift arrangements must be made in line with the Procurement Guidelines, and all other relevant processes and procedures.</p>
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20. Council Supply Agreements

This section details arrangements for the Council delivering non-statutory services, works or supplies to individuals or other organisations and receiving payment for this.

What is a Council Supply Agreement?	<p>A Council Supply Agreement is a contractually binding agreement where the Council agrees to provide works, services or supplies to a third party in return for payment, either in money or in-kind.</p> <p>This does not apply to the delivery of statutory services, or instances where the Council receives a grant to fund an activity.</p> <p>Executive Directors are responsible for ensuring that Council Supply Agreements within their area of responsibility are approved in accordance with the requirements of the Constitution. This includes seeking the opinion of the CFO.</p>
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Appendices:

A. Financial Records: Recommended Retention Schedule

(Note that all figures used relate to years, e.g. Current + 6 is Current Year's records plus the previous 6 years documents).

A.1. Accountancy/Financial

General example of type of Record	Recommended Retention	Action after retention
Abstract of accounts	Current + 6	Destroy as confidential records
Annual Budget	Current + 6	Destroy as confidential records
Annual statements	Current + 6	Destroy as confidential records
Budgetary control records	Current + 6	Destroy as confidential records
Costing records	Current + 6	Destroy as confidential records
Estimate working papers	Current + 2	Destroy as confidential records
Financial ledgers	Current + 6	Destroy as confidential records
Grant claim records	Current + 6	Destroy as confidential records
Investment records	Current + 2	Destroy as confidential records
Journals	Current + 6	Destroy as confidential records
Leasing Records	Current + 2	Destroy as confidential records
Record re closing ledgers	Current + 6	Destroy as confidential records
School Fund records	Current + 6	Destroy as confidential records
Telephone call records	Current + 2	Destroy as confidential records
VAT claims	Current + 6	Destroy as confidential records
VAT records	Current + 3	Destroy as confidential records
Voluntary fund accounts	Current + 6	Destroy as confidential records

A.2. Bank related records

Type of Record	Recommended Retention	Action after retention
Bank pay-in books/slips	Current + 6	Destroy as confidential records
Bank reconciliation	Current + 6	Destroy as confidential records
Bank statements	Current + 6	Destroy as confidential records
Cancelled cheques	Current + 2	Destroy as confidential records
Cheque books and counterfoils	Current + 6	Destroy as confidential records
Cheque lists (creditors/ payrolls)	Current + 2	Destroy as confidential records
Loan records and	Current + 2	Destroy as confidential records

correspondence		
Paid cheques	Current + 4	Destroy as confidential records
Returned cheque records	Current + 2	Destroy as confidential records

A.3. Contracts

Type of Record	Recommended Retention	Action after retention
Pre Contract Advice		
The process of calling for expressions of interest	2 years after contract let or not proceeded with	Destroy as confidential records
Specification and Contract Development		
The process involved in the development and specification of a contract	Ordinary Contract: 6 years after the terms of contract have expired. Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records Destroy as confidential records
Tender Issuing and Return		
The process involved in the issuing and return of a tender (Opening Notice)	1 year after start of contract	Destroy as confidential records
Evaluation of Tender		
Successful tender document	Ordinary Contract: 6 years after the terms of contract have expired. Contracts Under Seal: 12 years after the terms of the contract have expired.	Destroy as confidential records Destroy as confidential records
Unsuccessful tender document	1 year after start of contract	Destroy as confidential records
Post Tender Negotiation		
The process in negotiation of a contract after a preferred tender is	1 year after the terms of contract	Destroy as confidential records

selected	have expired	
Awarding of Contract		
The process of awarding contract	<p>Ordinary Contract: 6 years after the terms of contract have expired.</p> <p>Contracts Under Seal: 12 years after the terms of the contract have expired.</p>	<p>Destroy as confidential records</p> <p>Destroy as confidential records</p>
Contract Management		
Contract operation and monitoring	2 years after terms of the contract have expired.	Destroy as confidential records
Management and amendment of contract	<p>Ordinary Contract: 6 years after the terms of contract have expired.</p> <p>Contracts Under Seal: 12 years after the terms of the contract have expired.</p>	<p>Destroy as confidential records</p> <p>Destroy as confidential records</p>

A.4. Creditor records

Type of Record	Recommended Retention	Action after retention
Copy orders	Current + 2	Destroy as confidential records
Credit notes	Current + 6	Destroy as confidential records
Creditor invoices	Current + 6	Destroy as confidential records
Delivery notes	Current + 2	Destroy as confidential records
Imprest documentation (petty cash)	Current + 2	Destroy as confidential records
Period payment records	Current + 6	Destroy as confidential records

A.5. Income records

Type of Record	Recommended Retention	Action after retention
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Cash books	Current + 6	Destroy as confidential records
Correspondence (income)	Current + 2	Destroy as confidential records
Debtor accounts (records non-current)	Current + 2	Destroy as confidential records
Dinner/milk registers	Current + 6	Destroy as confidential records
Income posting slips and tabulations	Current + 2	Destroy as confidential records
Periodic income records	Current + 2	Destroy as confidential records
Receipt books	Current + 2	Destroy as confidential records
Record of receipt books issued	Current + 2	Destroy as confidential records
Registrar's quarterly returns	Current + 2	Destroy as confidential records
Sales records	Current + 2	Destroy as confidential records

A.6. Insurance records

Type of Record	Recommended Retention	Action after retention
Expired insurance contracts	Current & Permanent preservation	Destroy as confidential records
Insurance claims	Current + 7 from date of closure or year in which claimant reaches 21 (paper) Up to 60 years (electronic)	Destroy as confidential records
Insurance policy documentation	Current & permanent	Destroy as confidential records
Insurance register	Current & permanent	Destroy as confidential records

A.7. Miscellaneous records

Type of Record	Recommended Retention	Action after retention
Capital works tabulations	Current + 2	Destroy as confidential records
Car leasing and mileage	Current + 6	Destroy as confidential records

records		
Car Loans	Current + 6	Destroy as confidential records
Computer system documentation	Current + 2	Destroy as confidential records
Inland Revenue docs	Current + 6	Destroy as confidential records
Internal requisitions	Current + 1	Destroy as confidential records
Inventory records	Current + 6	Destroy as confidential records
Land searches	Current + 6	Destroy as confidential records
Member allowance (statutory registers)	Current + 2	Destroy as confidential records
Minutes	Current + 2	Destroy as confidential records
Postal remittance registers	Current + 2	Destroy as confidential records
Road fund licence records	Current + 2	Destroy as confidential records
School meal records	Current + 2	Destroy as confidential records
Small holdings records	Current + 2	Destroy as confidential records
Stock lists	Current + 2	Destroy as confidential records
Travel claims	Current + 6	Destroy as confidential records
Vehicle logs	Current + 2	Destroy as confidential records

A.8. Payroll Records

Type of Record	Recommended Retention	Action after retention
BACS amendments and output	Current + 3	Destroy as confidential records
Copy payslips	Current + 6	Destroy as confidential records
Correspondence	Current + 6	Destroy as confidential records
Payroll adjustment documentation	Current + 6	Destroy as confidential records
Part – time employees' claim forms	Current + 6	Destroy as confidential records
SSP records	Current + 4	Destroy as confidential records
SSP variations	Current + 3	Destroy as confidential records
Staff transfer records	Current + 6	Destroy as confidential records
Starters forms	Current + 2	Destroy as confidential records
Tax and NI records	Current + 6	Destroy as confidential records
Tax code notifications	Current + 2	Destroy as confidential records

Timesheets and Pay Returns	Current + 6	Destroy as confidential records
Union documentation	Current + 2	Destroy as confidential records
Personnel files	Current + 2	Destroy as confidential records
Staff contracts	Current + 6	Destroy as confidential records
Unsuccessful applications	Current + 1	Destroy as confidential records

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