



## WESTMINSTER CITY COUNCIL – FINANCIAL REGULATIONS

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### **Appendix A Schedule of financial authority to officers**

Within these Regulations **Executive Director of Finance & Resources** means:

- The officer with the statutory responsibility for the proper administration of the Council's financial affairs in accordance with S151 of the Local Government Act 1972, i.e. Chief Finance Officer;
- Or those officers authorised to act on his/her behalf.

### **Part A: Status of Financial Regulations**

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#### **1. Purpose**

- 1.1 These Financial Regulations (Regulations) provide the governance framework for managing the Council's financial affairs.

#### **2. Status**

- 2.1 The Local Government Act 1972 (Section 151) makes the Chief Finance Officer (Executive Director of Finance & Resources) responsible for the proper administration of the Council's financial affairs. These Regulations are issued pursuant to these responsibilities.

#### **3. Scope**

- 3.1 The regulations set out the Council's requirements in respect of:
- financial management roles and responsibilities
  - financial planning and budgeting
  - financial monitoring and control
  - internal control and audit
  - financial systems and procedures
  - external arrangements

- 3.2 The regulations apply to the control of both the General Fund finances (except for schools) and the Housing Revenue Account.
- 3.3 Appendix A to the Regulations comprises the 'Schedule of Financial Authority to Officers' which sets out the approved financial limits within which officers may conduct the Council's business.
- 3.4 The Regulations are supported by a set of mandatory Financial Procedures which provide more detailed direction on the arrangements to be complied with.

#### **4. Compliance**

- 4.1 These Regulations, and the Financial Procedures, apply to every member and officer of the Council and to anyone acting on its behalf. Failure to comply may constitute misconduct and lead to formal disciplinary action.
- 4.2 All Council members and officers have a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, and achieves value for money. In doing so, proper consideration must be given at all times to matters of probity and propriety in managing the assets, income and expenditure of the Council.

#### **5. Maintaining the regulations**

- 5.1 The Executive Director of Finance & Resources is responsible for:
- a. Maintaining and updating these Regulations and the Schedule of Financial Authority to Officers.
  - b. Ensuring that any revisions affecting the powers of Members are approved by the Council on the recommendation of the Cabinet Member for Finance, Property and Regeneration.
  - c. Reviewing and reissuing the Financial Procedures as necessary to support the effective operation of these Regulations.

### ***Part B: Financial Management Roles and Responsibilities***

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#### **1. Principles**

- 1.1 A transparent framework of financial management responsibilities and decision making is essential to the effective management of the Council's financial affairs.
- 1.2 All members and officers have a common duty to abide by the highest standards of integrity and propriety when making decisions about the use of public monies.

## **2. Members**

2.1 Members' responsibilities for the overall management of the Council's financial affairs are exercised through:

- a. **Full Council**, which is responsible for approving the Council's overall policy framework and the budget within which the executive operates, setting Prudential Indicators for capital finance and treasury management, setting limits for budget virements, and approving the Council's treasury management and investment strategies.
- b. **The Cabinet**, which is responsible for proposing the policy framework and budget to the Council and for discharging executive functions in accordance with it. Executive decisions can be delegated to a committee of the Cabinet, or by the Leader to an individual Cabinet Member or an officer.
- c. **Audit and Performance Committee**, which is responsible for maintaining a continuous review of the Council's regulatory framework, approving the Annual Statement of Accounts for publication, and oversight of audit and anti-fraud activity.
- d. **Policy and Scrutiny Committees**, which oversee the budget process including its implementation.
- e. **Pension Fund Committee**, which is responsible for the management of the Council's Pension Fund.

## **3. The Executive Director of Finance & Resources**

3.1 The Executive Director of Finance & Resources has statutory and delegated duties in relation to the financial administration and stewardship of the Council. The statutory responsibilities cannot be overridden and arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2015
- The Local Government Pension Scheme Regulations 2013
- The Local Government Pension Scheme Regulations (Management and Investment of Funds) 2016
- Public Service Pensions Act 2013
- The Local Authorities Goods and Services Acts 1970
- The Local Government Acts 2000 and 2003
- The Localism Act 2011

3.2 Responsibilities of the Executive Director of Finance & Resources include:

- a. The proper administration of the Council's financial affairs including all arrangements concerning financial planning, financial control, accounting, taxation, income, debt management, insurance, investments, banking,

bonds, loans, leasing, borrowing, trust and pension funds, and the payment of creditors, salaries, wages and pensions.

- b. Determining the contents of Financial Procedures and ensuring compliance with these and Financial Regulations.
- c. Preparing the annual Revenue Budget, and reporting to the Council on the robustness of the estimates and the adequacy of reserves.
- d. Preparing the annual Capital Programme, ensuring effective forward planning and sound financial management in its compilation.
- e. Ensuring that accurate and timely financial information is available to enable effective budget monitoring and reporting, and taking action if overspends or shortfalls in income emerge.
- f. Reporting to full Council if it is likely that any proposed action or decision will lead to unbudgeted or unlawful expenditure or activity.
- g. Advising on the systems of internal control necessary for sound financial management and decision making, and to ensure that public funds are properly safeguarded and used economically, efficiently, and effectively.
- h. Maintaining an adequate and effective internal audit function and an effective anti-fraud and corruption strategy.
- i. Preparing the Council's risk management strategy and advising on the management of strategic, financial and operational risks.
- j. Determining the accounting procedures and records for the Council and ensuring that they are applied consistently.
- k. Preparing the Council's annual statement of accounts and governance statement in accordance with all applicable codes of practice on local authority accounting.
- l. Preparing and implementing an effective treasury management strategy, and effecting all investments and borrowings within the limits imposed by the Council.
- m. Advising on, monitoring and reporting on performance in relation to Prudential Indicators set by the Council for capital expenditure, external debt and treasury management.
- n. Management of pension fund investments and preparing and submitting a triennial Funding Strategy Statement and Investment Strategy Statement to the Pension Fund Committee for approval.
- o. Ensuring that effective asset management arrangements are in place.
- p. Advising on the risks and financial implications associated with joint working, external funding and trading opportunities.

3.3 The Executive Director of Finance & Resources may allocate his/her day-to-day responsibilities to an appropriate representative in accordance with the Scheme of Delegated Authority to Officers and the Schedule of Financial Authority to Officers.

#### **4. Budget Managers**

4.1 Whilst the Executive Director of Finance & Resources has overall responsibility for the finances of the Council, budget managers are responsible for the day-to-day management of their respective Unit's finances. Their responsibilities in relation to financial management include:

- a. Promoting and ensuring compliance with these Regulations and associated Financial Procedures, and taking corrective action in the event of any non-compliance.
- b. Preparing annual Revenue Budget estimates and Capital Programme estimates in accordance with the guidance issued by Cabinet and the Executive Director of Finance & Resources.
- c. Ensuring that the financial implications of all proposals are properly reflected within all decision making reports and that these have been agreed with the Executive Director of Finance & Resources or his/her nominated representative.
- d. Managing service delivery and containing expenditure within the agreed revenue and capital budgets.
- e. Maintaining sound systems of internal control and implementing agreed internal and external audit recommendations.
- f. Complying with the Council's anti-fraud and corruption strategy and reporting suspected fraud and financial irregularities to internal audit for investigation.
- g. Complying with the Council's risk management strategy and notifying the Executive Director of Finance & Resources immediately of significant risks to the Council's financial position.
- h. Ensuring that all financial transactions are recorded through the main accounting system.
- i. Ensuring that the controls framework of the Council's ERP system is followed at all times and necessary steps are taken to ensure their unit complies with this framework
- j. Assisting cash flow through timely billing of income due, monitoring income received and taking appropriate action in the event of non-payment.
- k. Assisting cash flow through minimising advance payments wherever possible.
- l. Ensuring that all expenditure incurred complies with the requirements of the procurement code and has the necessary budgetary approval.
- m. Controlling resources and containing staff numbers within approved establishment and budget levels and ensuring that all employee appointments and payments are properly authorised in compliance with the Council's policies.
- n. Ensuring the proper security and safe custody of all assets under their control.
- o. Ensuring that the risks and financial implications associated with joint working, external funding and trading opportunities are properly evaluated,

and that no such arrangements are entered into without the necessary approvals.

- p. Ensuring that financial authorities are operated in accordance with the limits contained within the Schedule of Financial Authority to Officers, and that a written record of authorised officers is maintained.

## **5. All Officers**

- 5.1 In addition to the specific responsibilities set out above the Council expects all officers to:
  - a. Act in good faith, impartially and in accordance with their positions of trust.
  - b. Exercise due care in relation to all resources, assets, income and expenditure within their care or control.
  - c. Ensure that proper records and documentation are maintained of the Council's assets and financial transactions.
  - d. Comply with these Regulations, the associated Financial Procedures and any additional guidance issued to ensure the effective control of the Council's resources.
  - e. Co-operate in audits of the Council's financial systems.
  - f. Report any suspected financial irregularities for investigation.
  - g. Ensure they comply with the Council's ERP system control framework and policies.

## ***Part C: Financial Planning and Budgeting***

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### **1. Principles**

- 1.1 The purpose of financial planning is to set out and communicate the Council's objectives, resource allocations and related performance targets, and to provide an agreed basis for subsequent management control, accountability and reporting.
- 1.2 Budgets are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is unlawful for the Council to budget for a deficit.
- 1.3 The Council's budget sets agreed parameters around the annual activities and functions of Units and their services and is constructed within the context of a medium term financial plan. It reflects the priorities of the Council.
- 1.4 The Capital Programme sets out the resource allocations to be made to capital schemes that have the approval of Council. Capital expenditure involves acquiring or enhancing fixed assets with a long term value to the organisation, such as land, buildings, major items of plant, equipment and vehicles.

- 1.5 To enable members to make informed decisions, all Cabinet and Committee reports must incorporate a separate section on 'financial implications', which will be prepared by the Executive Director of Finance & Resource's Department. Reports must show the costs or savings of proposals, together with any approved budget provision, future commitments, potential risks, tax implications, and any other financial consequences which may arise from the options and recommendations.

## **2. Revenue Budget**

- 2.1 The Executive Director of Finance & Resources is responsible for:
- a. Ensuring that an annual Revenue Budget and Council Tax Report is prepared in the context of a medium term financial plan for consideration by Cabinet and approval by Council.
  - b. Maintaining a financial planning and resource allocation process that properly reflects the Council's policy framework and strategic objectives.
  - c. Advising the Cabinet on the format of the budget and its responsibility for issuing guidance on budget preparation taking due account of:
    - legal requirements
    - medium-term planning prospects
    - the corporate strategy and Council priorities
    - available resources
    - spending pressures
    - government initiatives and public policy requirements
    - internal policy directives
  - d. Advising the Council on the budget proposals in accordance with his/her responsibilities under S151 of the Local Government Act 1972.
  - e. Advising the Cabinet and Council on a prudent level of reserves for budget purposes, and ensuring any appropriate contingency provisions are maintained.
  - f. Considering and approving or rejecting requests for the creation of earmarked reserves.
  - g. Approving or rejecting transfers to or from reserves, or the re-designation of existing reserves.
  - h. Undertaking the statutory consultation with NNDR payers.
  - i. Issuing detailed procedures on the preparation of Revenue Budget estimates.
- 2.2 Budget managers are responsible for:
- a. Preparing annual Revenue Budget estimates in accordance with the guidance issued by Cabinet and the detailed procedures issued by the Executive Director of Finance & Resources, ensuring that these reflect agreed priorities, and advising Cabinet Members on service implications.

- b. Establishing detailed budgets for each service area in advance of the financial year and requiring such budgets to be managed by responsible named budget managers.
- c. Integrating financial and budget plans with service planning.
- d. Ensuring that any approved withdrawals from reserves are applied for their intended purposes.

### **3. Capital Programme**

- 3.1 No expenditure may be incurred on a capital project unless it has been approved by the Cabinet Member, other than in accordance with any exceptions set out in the Schedule of Financial Authority to Officers. Any slippage between years must be reported at the monthly Capital Review Group meeting and approved by the relevant Cabinet Member. Any forecasted overspends must be contained within the overall Capital Programme and reported to the Capital Review Group. Variations to the approved budgets for capital schemes must be approved by the Cabinet Member in accordance with the limits set out in the Schedule of Financial Authority to Officers.
  
- 3.2 The Capital Review Group is chaired by the Cabinet Member for Finance, Property and Regeneration supported by the Executive Director of Finance & Resources. The Executive Director of Finance & Resources is responsible for producing the agenda for the Capital Review Group meeting and co-ordinating attendees. The meeting is attended by relevant Cabinet members and Executive Directors or their representative where projects fall within their portfolio. This group meets monthly and is responsible for:
  - a. The strategic development of the Council's capital programme and capital strategy in accordance with the Council's Objectives as set out in City for All.
  - b. To consider any proposal for the use of capital against Council's priorities.
  - c. To review potential risk and Value for Money issues on any proposal for the use of capital.
  - d. To agree any programme of capital spend within the confines of Council agreed financing.
  - e. To provide a forum for establishing and providing robust challenge and debate around the capital programme.
  - f. To monitor the performance of projects and programmes within the Council's Capital Programme.
  - g. To set out a programme of annual capital receipts and to monitor progress in achieving those receipts.
  - h. To ensure that investments in projects are backed up with a rigorous business case that is updated and developed at key stages over the project life.



- 3.2 All Development (as per the General Fund Capital Programme) and regeneration (as per the HRA business plan) projects over £10m will have to produce the following three business cases:
- a. Strategic Outline Case
  - b. Outline Business Case
  - c. Full Business Case
- 3.3 Projects under £10m will require a Business Justification Case only. However, this will be dependent on the other criteria and factors. The list below is not exhaustive and whether a project can go through a one stage process has to be reviewed on a case by case basis and agreed by senior officers, members and the Project Management Office (PMO). The factors include:
- a. Level of Resident engagement required
  - b. Political sensitivities
  - c. Strategic aims of the project
  - d. Historical context of the project
- 3.4 As part of the capital budget setting process, all schemes in the capital programme have to have a Capital Programme Submission Request Form (CPSR). The purpose of the CPSR forms are to justify individual schemes requiring a capital budget and ensuring that they are in line with the Council's aims and objectives. The CPSR forms are based on the PMO's prioritisation framework:
- a. Strategic fit
  - b. Financial
  - c. Legislative and Compliance
  - d. Indirect Need
  - c. Risks

Each section is scored by the budget manager and scores are then moderated by a panel which is led by the PMO. The Prioritisation Panel will make the final decision on which projects should be included in the capital programme.

- 3.3 The Executive Director of Finance & Resources is responsible for:
- a. Ensuring that a five-year rolling Capital Programme is prepared on an annual basis for consideration by the Capital Review Group, and approved by Cabinet and Council. This is supported by a further indicative ten-year plan.
  - b. Issuing strategic guidance on budget preparation, and issuing detailed guidelines which take account of legal, regulatory and code of practice requirements, medium-term planning prospects, affordability and whole life costing.

- c. Ensuring that the revenue implications of the programme are contained within the Revenue Budget and medium term financial plan.
- d. Ensuring that all schemes relying on the use of Prudential borrowing powers are properly appraised and provide value for money.
- e. Reporting to Cabinet on the overall position and the availability of resources to support the Capital Programme.
- f. Issuing procedures on the preparation of capital budget estimates.
- g. Ensuring that sources of funding (general fund, capital grants, self-financing etc) are identified for the entire programme.
- h. Ensuring that any schemes requiring in year approval (outside of the annual capital programme) are reviewed by the Capital Review Group and approved by the relevant cabinet member – in line with the Scheme of Financial Authority.
- i. Ensuring the Capital Programme includes a contingency for in year approval of schemes and the Capital Review Group approves the use of any contingency. This is so to ensure that the overall affordability of the programme is maintained, in line with the scheme of delegation.
- j. Maintaining a record of the current capital budget and expenditure on the Council's financial systems, and ensuring compliance with financial reporting standards.
- k. Reporting to Cabinet and the Capital Review Group on the performance against the Capital Programme and budget as well as reporting to the Audit and Performance Committee and Policy and Scrutiny Committee as required.
- l. Ensuring that governance arrangements are in place via the Capital Review Group meeting to review proposed changes to the Capital Programme for approval by the Cabinet Member.
- m. Ensuring the Council's annual disposals programme is approved by Cabinet.
- n. Ensuring the Capital Review Group is updated on the progress of the disposals programme.

### 3.3 Budget managers are responsible for:

- a. Complying with the guidance issued by the Executive Director of Finance & Resources regarding preparation of the Capital Programme.
- b. Ensuring all General Fund capital schemes and schemes included in the Housing Revenue Account asset management are properly appraised with rigorous business cases documented in line with HM Treasury Green Book guidance and in line with the requirements set out in the capital strategy. In addition projects should be supported by project plans, funding strategies, risk register and benefit realisation plans as appropriate.
- c. Undertaking robust financial management of schemes on a day to day basis and ensuring the scheme constitutes value for money.
- d. Undertaking an annual review of their schemes within the Capital Programme and consequential revenue expenditure, for inclusion in the medium term financial plan.

- e. With the exception of approved spend within the Housing Revenue Account, ensuring that no expenditure is incurred on a capital project prior to its agreed inclusion within the Capital Programme and until a financial report has been approved by the Cabinet Member in accordance with the limits set out in the Scheme of Delegated Authority to Officers.
- f. Monitoring and reporting on a monthly basis on capital expenditure and receipts against approved capital budgets, on project slippage and variations, on additions/deletions, and on any changes in projected expenditure, for the Capital Review Group, or for the Cabinet Member in the case of the Housing Revenue Account.
- g. Ensuring that all allocated spend is authorised via in accordance with the Schedule of Financial Authority to Officers
- h. Reporting to the Cabinet if proposed sources of funding are not secured.
- i. Ensuring that adequate records and audit trails are maintained in respect of all capital contracts.
- j. Complying with the requirements of Capital Review Group for business case sign off, progress updates and providing specific information in relation to a scheme when requested. As only Cabinet Member and Cabinet reports can be approved formally, all business cases must be submitted with a cover report and CRG should recommend approval to members who can sign off the report.
- k. Submitting contingency draw down reports. All projects will include a capital contingency of 20%. The Executive Director of Finance & Resources will hold 15% of this centrally. Should centrally held contingency need to be drawn down, a Cabinet Member or Cabinet Report will need to be submitted and reviewed by CRG.

3.6 The council's Project Management Office will have the responsibility of managing the progress individual projects and ensuring the quality assurance of reports and business cases. Further information can be found in the programme management handbook.

#### **4. 4. *Financial Implications of Decisions***

4.1 The Executive Director of Finance & Resources is responsible for:

- a. Issuing guidance in relation to the presentation of financial implications within the Council's decision making processes.
- b. Ensuring the adequacy of the financial implications information presented within individual decision making reports and appropriate sign-off.

4.2 Managers are responsible for:

- a. Ensuring that all decision making reports properly set out the financial implications of the proposed actions, through the provision of adequate information to Finance to allow this section to be prepared.

- b. Ensuring they act in accordance with guidance issued by the Executive Director of Finance & Resources.
- c. Arranging for all financial implications to be validated and formally signed off by the Executive Director of Finance & Resources, or his/her nominated representative, prior to their progression through the approval process.
- d. Consulting with relevant parties where there may be financial implications for other Cabinet Members, Committees or Units

## ***Part D: Financial Monitoring and Control***

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### **1. Principles**

- 1.1 To ensure the Council does not exceed its overall budget, each service area is required to manage its own income and expenditure within the cash limited budgets allocated to them to be spent on agreed service activities and functions. The Council's approval of the revenue estimates constitutes authority to incur expenditure, subject to compliance with the approved policies and regulations of the Council and any other limitation that may be imposed.
- 1.2 Any forecasted revenue overspends or income shortfalls should be mitigated through a compensating underspend or overachievement of income elsewhere. Any underspend cannot be carried forward from one year to the next without the approval of the Executive Director of Finance & Resources, and should generally be restricted to specific items of a 'one off' nature where monies will be spent for an identified purpose in the following financial year.
- 1.3 The term virement refers to transfers of budgets between or within cost centres. Virements may only be used in the very specific circumstances set out in the Regulations and the Schedule of Financial Authority to Officers.

### **2. Control of Revenue Budgets**

- 2.1 The Executive Director of Finance & Resources is responsible for:
  - a. Maintaining a robust framework of budget management and control that ensures that:
    - Budget management is exercised within annual cash limits and the medium term financial plan.
    - Revenue expenditure is recorded on the Council's financial systems in accordance with legal, regulatory and code of practice requirements.
    - Accurate and timely information is available to managers and budget holders that enables budgets to be monitored and controlled effectively.
    - All officers responsible for committing expenditure comply with these Regulations.
    - Each cost centre is allocated to a named budget manager determined by the relevant service manager.

- Significant variances from budget are investigated and reported by budget managers on a regular basis.
- b. Monitoring and controlling income and expenditure against budget allocations at a Council-wide level.
- c. Reporting regularly to the Cabinet, Audit and Performance Committee and Policy and Scrutiny Committee on performance against budget, delivery of savings programmes and available reserves.

2.2 Budget managers are responsible for:

- a. Ensuring that effective budgetary control arrangements exist and are observed within their respective Units in compliance with these Regulations.
- b. Ensuring spending remains within the relevant cash limits by controlling income and expenditure, monitoring performance and taking corrective action where variations from budget are forecast.
- c. Ensuring that expenditure is coded correctly and committed only against approved budget lines.
- d. Forecasting accurately on a monthly basis throughout the financial year; regularly reporting performance, variances, and forecasts to the Executive Director of Finance & Resources, Cabinet, and as required to the Policy and Scrutiny Committee, and Audit and Performance Committee.
- e. Ensuring any risks or issues relating to over or underspends within their areas are escalated to Finance on a timely basis.

**3. Virements**

3.1 The Executive Director of Finance & Resources is responsible for:

- a. Controlling and administering the virement mechanism in accordance with guidance and limits set by Council. As a general rule, revenue virement is only permissible in the following circumstances:
  - to correct any errors made in the initial loading of the budget onto the main accounting system
  - to reflect a structural reorganisation
  - to distribute centrally held budgets, e.g. savings targets and inflation provisions to reflect major changes in policy, subject to appropriate approval
  - to reflect receipt of additional grant or other funding
  - to reflect technical adjustments at the discretion of the Executive Director of Finance & Resources
  - to reflect any changes in corporate priorities
  - to reflect adjustments required in the use of earmarked reserves
- b. Recording approved virements in the Council's financial systems and reflecting the impact of these in regular monitoring reports to Cabinet and the Audit and Performance Committee.

- 3.2 Budget Managers are responsible for:
- a. Ensuring all proposed virements comply with the limits and approval requirements set out in the Schedule of Financial Authority to Officers.
  - b. Notifying all proposed virements in writing to the Executive Director of Finance & Resources or his/her representative.
  - c. Ensuring that virements are correctly identified as either permanent or temporary (in year) adjustments.

## ***Part E: Internal Control and Audit***

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### **1. Principles**

- 1.1 Sound systems of internal control are essential to the proper economic, efficient and effective use of resources, the achievement of objectives, and the safeguarding of public funds.
- 1.2 Legislation requires that the Council provides for both internal and external audit. External audit provides an independent assessment of the Council's financial statements and the adequacy of its arrangements for securing value for money. Internal audit evaluates and reports on the adequacy of the Council's internal control systems in securing the proper, economic, efficient and effective use of resources.
- 1.3 There is a basic expectation that members and all officers will act with integrity and with due regard to matters of probity and propriety, and comply with all relevant rules, regulations, procedures and codes of conduct, including those in relation to receipt of gifts and hospitality and declaration of conflicts of interest.
- 1.4 The Council will not tolerate fraud or corruption in the administration of its responsibilities, whether perpetrated by members, officers, customers of its services, third party organisations contracting with it, or other agencies or individuals with which it has any business dealings.
- 1.5 Risk management is an integral part of effective management and planning. It is concerned with identifying and managing key obstacles to the achievement of objectives.

### **2. Internal Control**

- 2.1 The Executive Director of Finance & Resources is responsible for:
- a. Advising on effective systems of internal control to ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statutory and other authorities that govern their use.
  - b. Conducting an annual review of the effectiveness of the system of internal control and publishing the results of this within the Council's Annual Governance Statement.

- 2.2 Budget Managers are responsible for:
- a. Complying with the controls set down in these Regulations and the Financial Procedures.
  - b. Taking corrective action in respect of any non-compliance by staff with relevant rules, regulations, procedures and codes of conduct.
  - c. Implementing effective systems of internal control including adequate separation of duties, clear authorisation levels, and appropriate arrangements for supervision and performance monitoring.
  - d. Planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their objectives, standards and targets.

### **3. *Internal and External Audit***

- 3.1 The Executive Director of Finance & Resources is responsible for:
- a. Maintaining an adequate and effective internal audit service in accordance with the Accounts and Audit Regulations.
  - b. Ensuring that the statutory requirements for external audit are complied with and that the external auditor is able to effectively scrutinise the Council's records.
  - c. Ensuring that audit plans and results are reported to the Audit and Performance Committee.
- 3.2 Budget Managers are responsible for:
- a. Ensuring that the appointed auditors have access to all documents and records for the purposes of the audit and are afforded all facilities, cooperation and explanation deemed necessary.
  - b. Cooperating in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.
  - c. Implementing audit recommendations within agreed timescales.

### **4. *Preventing Fraud and Corruption***

- 4.1 The Executive Director of Finance & Resources is responsible for:
- a. Developing and maintaining an anti-fraud and corruption strategy that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity.
  - b. Advising on the controls required for fraud prevention and detection.
  - c. Appointing a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made.
- 4.2 Budget Managers are responsible for:
- a. Complying with the Council's anti-fraud and corruption strategy.
  - b. Ensuring that there are sound systems of internal control within their Units for

fraud prevention and detection.

- c. Ensuring they follow all controls policies and regulations to minimise fraud and taking all necessary action with their staff if fraud is suspected.
- d. Reporting cases of suspected fraud or irregularity to internal audit for investigation, and complying with the Council's whistleblowing policy.
- e. Implementing audit recommendations within agreed timescales.
- f. Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.

## **5. Risk Management**

- 5.1 The Executive Director of Finance & Resources is responsible for preparing the Council's risk management strategy and advising on the management of strategic, financial and operational risks.
- 5.2 Budget Managers are responsible for:
  - a. Implementing the Council's risk management strategy.
  - b. Integrating risk management within business planning and performance management arrangements.
  - c. Mitigating, monitoring and reporting on risks.
  - d. Maintaining and testing business continuity plans.

## **Part F: Financial Systems and Procedures**

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### **1. Principles**

- 1.1 Good systems and procedures are essential to the effective management and administration of the Council's financial affairs. This includes:
  - **Accounting:** The main accounting system provides the prime source of financial data for management accounts, statutory accounts and government returns. It is essential that this system complies with legislation and proper accounting practice and that all information is recorded accurately, completely and in a timely manner, and that any errors are detected promptly and rectified.
  - **Income:** Effective systems are necessary to ensure that all income due is collected, receipted, recorded and banked properly. Where possible income should be collected in advance to improve cash flow and avoid costs of debt collection. Debts should only be written off once all reasonable avenues have been exhausted or where it would prove uneconomical to pursue.
  - **Expenditure:** Expenditure may only be incurred where budgetary provision is available and must comply with the Council's procurement rules and approved payment processes. Purchase orders must be raised to ensure that the expenditure is recorded as a commitment in the Council's main accounting system.
  - **Banking:** All transactions through the Council's bank accounts must be



properly processed, recorded and reconciled.

- **Treasury management:** Proper processes must be maintained for the investment of cash balances and for borrowing to fund the Capital Programme, ensuring compliance with the authorised annual Treasury Management Strategy Statement.
- **Taxation:** Effective systems must be in place to ensure that all tax liabilities and obligations are properly reported and accounted for and that losses, fines and penalties avoided.
- **Asset management:** The Council's assets must be properly recorded, safeguarded from loss/harm and utilised effectively, and any disposals undertaken in a controlled manner.
- **Insurance:** Appropriate insurance cover is necessary to protect the Council from financial claims arising from unforeseen events such as damage to property or injury to employees or to the public.
- **Recharges and internal trading accounts:** The Council is required to allocate all of its back-office costs to service areas in compliance with accounting codes of practice

## **2. Principles**

2.1 The Executive Director of Finance & Resources is responsible for:

- a. Determining the Council's main accounting system for the preparation of the Council's accounts and for monitoring all income and expenditure.
- b. Determining any financial systems which may sit outside of the main accounting system, and ensuring that these are sound and properly integrated and interfaced.
- c. Issuing guidance on the use and maintenance of the main accounting system and related financial systems, and ensuring that supporting records and documents are retained.
- d. Ensuring that regular balance sheet and holding account reconciliations are undertaken.
- e. Preparing the Council's consolidated accounts, balance sheet and governance statement for audit and publication, and issuing guidance (including a detailed timetable and plan) to ensure achievement of statutory deadline.

2.2 Budget Managers are responsible for:

- a. Ensuring that the main accounting system is used to accurately record financial transactions in accordance with guidance issued by the Executive Director of Finance & Resources.
- b. Ensuring an adequate audit trail of financial information and compliance with the Council's policies in respect of the retention of documents.
- c. Ensuring that the implementation of any Unit financial system has the express approval of the Executive Director of Finance & Resources, and is adequately documented, tested and interfaced with the main accounting system.

- d. Complying with the timetables required by the Executive Director of Finance & Resources to enable the production of consolidated accounts, budgets and statutory information.

### **3. *Income***

3.1 The Executive Director of Finance & Resources is responsible for:

- a. Administering all invoicing, credit notes, income collection and debt recovery or, where local arrangements for such have been agreed, approving all procedures, systems and documentation used.
- b. Ensuring that claims for Government grants and other monies are made properly and promptly.
- c. Ensuring that all monies received are properly receipted and recorded and banked promptly.
- d. Administering the process for writing off irrecoverable debts, and monitoring and reporting on write off levels.
- e. Recommending and implementing the Council's debt management policy.

3.2 Budget Managers are responsible for:

- a. Ensuring that fees and charges for services are reviewed at least annually, consulting with the Executive Director of Finance & Resources and Cabinet Members on the financial effect of the review, and obtaining Cabinet Member approval to any proposal to introduce new charges.
- b. Collecting payment at point of sale wherever possible to improve cash flow.
- c. Timely initiation of 'sales orders' in respect of all fees and charges due.
- d. Administering any local systems for invoicing, income collection and debt recovery as directed by the Executive Director of Finance & Resources.
- e. Providing operational data and information to ensure that claims for Government grants and other monies are made properly and promptly.
- f. Authorising the write off of irrecoverable debts on the recommendation of the Executive Director of Finance & Resources and subject to the requirements set out in the Schedule of Financial Authority to Officers.

### **4. *Expenditure - Procurement***

4.1 The Executive Director of Finance & Resources is responsible for:

- a. Issuing guidance on the ordering, certification and payment for all works, goods and services, subject to the provisions of the procurement code.
- b. Processing all payments due on receipt of a valid invoice or contract certificate which satisfies VAT regulations, and confirmation that works, goods and services have been received.
- c. Agreeing any exceptions to the requirement to raise purchase orders for all works, goods and services.
- d. Administering procurement cards and credit cards and processing payments.
- e. Agreeing the use of any pre-loaded payment cards.
- f. Ensuring that an effective procurement code is in place.

- 4.2 Budget Managers are responsible for:
- a. Ensuring that all purchase orders are raised using the Council's financial system, for all works, goods and services other than:
    - purchases appropriately made through petty cash, procurement card or credit card
    - continuous charges for utilities supplies, or periodic payments such as rents or rates, and treasury management payments
    - expenditure incurred on the Housing Revenue Account
  - b. any other exceptions agreed with the Executive Director of Finance & Resources Ensuring that no purchase orders are placed without the proper approvals and financial authorities set out in the Schedule of Financial Authority to Officers and the procurement code.
  - c. Receipting all works, goods and services on the financial system.
  - d. Ensuring the proper completion and authorisation of payment certification vouchers, including confirming that the invoice has not previously been paid.
  - e. Ensuring that payments are made only where works, goods and services have been received to the correct price, quantity and quality standards.
  - f. Complying with the requirements of the Council's procurement code.
  - g. Ensuring that all procurement and credit cards are appropriately controlled, and that all expenses and other transactions are reviewed and authorised by the relevant line manager, are for proper business purposes, are supported by receipts, and are compliant with any other restrictions in force.
  - h. Ensuring that the transactions recorded on procurement or pre-paid cards is properly recorded on the Council's primary finance system.
  - i. Complying with approval limits set out in the Schedule of Financial Authority to Officers and any further limitations set out within the procurement code.

4.3 Other responsibilities:

- a. Chief Officers are empowered to expend from within their allocated service budget expenditure up to the amount set out in the Schedule of Financial Authority to Officers in any single case where the Chief Officer is of the view that a finding of maladministration with injustice is likely to be found by the Local Government Ombudsman.
- b. In circumstances where compensation is above the amount set out in the Schedule of Financial Authority to Officers, the committee authority is required.

**5. Expenditure - Payroll**

5.1 The Executive Director of Finance & Resources is responsible for making emergency payments to staff in extremis and where practicable, such as in the case of payroll failure.

5.2 The Director of Human Resources is responsible for:

- a. Operating sound arrangements for the payment of salaries, pensions and expenses to officers and in accordance with the Members Allowances Scheme administered by the Head of Legal and Democratic Services.
- b. Providing a corporate payroll system for recording all payroll data and generating payments to employees and members, including payment of pensions and expenses.
- c. The proper calculation of all pay and allowances, National Insurance and pension contributions, income tax and other deductions.
- d. Completing all HMRC returns regarding PAYE and providing advice and guidance on employment related taxation.
- e. Maintaining an accurate and up to date record of the Council's establishment.

5.3 Budget Managers are responsible for:

- a. Controlling resources and containing staff numbers within approved establishment and budget levels.
- b. Ensuring that all employee appointments, including temporary staff, are made in compliance with the Council's policies.
- c. Ensuring that the Hampshire Integrated Business Centre is notified promptly of starters and leavers, and all information relating to employees' pay and expenses.
- d. Ensuring that all payments made to employees are properly authorised in compliance with the requirements and financial limits set out in Council's human resources policies.
- e. Ensuring that for expenses, managers review their audit samples of expense claims, validate that there are appropriate receipts in place, and make these available for audit as and when required.
- f. Ensuring that all persons employed by the Council are paid through the Council's payroll, other than where the Director of Human Resources has agreed that the individual is bona fide self-employed or employed by a recognised agency.
- g. Ensuring that all temporary employees are appropriately recorded as per IR35 regulations.

**6. Expenditure - Banking**

6.1 The Executive Director of Finance & Resources is responsible for:

- a. Managing and operating all the Council's bank accounts and ensuring that all payment methods, whether physical (e.g. cheques) or electronic, have the appropriate authorisations, approvals and signatures.
- b. Ensuring that adequate controls are in place for the control of payment methods (including cheques) covering access, ordering, custody, preparation, signing and despatch as appropriate.
- c. Ensuring regular reconciliations are carried out between all bank accounts and the financial records of the Council.
- d. Approving the operation of any local cash or bank imprest accounts.

- 6.2 Budget Managers are responsible for:
- a. Ensuring that no bank accounts are opened in the name of the Council other than with the express written authority of the Executive Director of Finance & Resources.
  - b. Reporting to the Executive Director of Finance & Resources on the nature and state of any bank accounts for which they are responsible.
  - c. The proper administration of any local cash or bank imprest accounts including record keeping, document retention, paying in income, reconciliation and control of cheques including ordering, custody, preparation, signing and despatch.

## **7. Treasury Management**

- 7.1 The Executive Director of Finance & Resources is responsible for:
- a. Preparing and presenting an annual Treasury Management Strategy Statement to Cabinet prior to submission to the Council for approval.
  - b. Implementing, reviewing and reporting on the progress and outturn performance of the strategy and recommending any changes.
  - c. Preparing and maintaining a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities.
  - d. Preparing and maintaining suitable Treasury Management Practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.  

The content of the Treasury Management Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Treasury Management in the Public Services Code of Practice (the Code), subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.
  - e. Ensuring that the organisation (i.e. Full Council) receives reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual outturn report after its close, in the form prescribed in its TMPs.
  - f. Effecting all investments and arranging borrowings within the limits imposed by the Council and reporting on the funding methods used.
  - g. Approving the use of any finance leases.
  - h. Ensuring that the use of any financial derivatives is intra vires and properly risk assessed and monitored.
  - i. Ensuring compliance with all applicable laws, regulations and codes of practice relating to treasury management and capital finance.
  - j. Ensuring that cash flow forecasting and monitoring systems are in place.

- k. Maintaining and authorising any amendments to the approved counterparty list.

7.2 Budget Managers are responsible for:

- a. Assisting cash flow through timely billing of income owing, due consideration of contracts payment terms and minimising advance payments wherever possible.
- b. Supporting cash flow forecasting and notifying the Treasury Team in advance of any high value receipts or payments that may impact on investments and borrowings.
- c. Ensuring that no finance leases or borrowings are entered into without the approval of the Executive Director of Finance & Resources.

7.3 Other responsibilities:

- a. This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies, strategies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Executive Director of Finance & Resources, who will act in accordance with the organisation's policy statement, strategy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- b. This organisation nominates the Housing, Finance and Customer Services Committee to be responsible for ensuring the effective scrutiny of the treasury management strategy and policies.

## **8. Taxation**

8.1 The Executive Director of Finance & Resources is responsible for:

- a. Ensuring that transactions comply with relevant statutory requirements and authorities.
- b. Completing a monthly return of VAT inputs and outputs to HMRC, ensuring prompt recovery of sums due, and reconciliation of tax records to the main accounting system.
- c. Making monthly Construction Industry Scheme (CIS) returns to HMRC.
- d. Managing the Council's partial exemption position.
- e. Preparing and submitting Voluntary Disclosure Notices to HMRC and recovery of any revenues due.
- f. Providing advice and guidance on taxation issues.
- g. Maintaining and updating the Council's VAT manual.

8.2 Budget Managers are responsible for:

- a. Ensuring that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.
- b. Seeking advice on the potential tax implication of any new initiatives for the delivery of Council activity and services.

- c. Ensuring that the taxation implications of proposed land and building acquisitions and sales are properly identified and considered at the planning stage.
- d. Where construction and maintenance works are undertaken, ensuring that the contractor fulfils the necessary construction industry scheme deduction requirements.
- e. Adhering to all aspects of the Council's VAT manual.

## **9. Asset Management**

9.1 The Executive Director of Finance & Resources is responsible for:

- a. Ensuring that asset registers are maintained in the appropriate format for accounting purposes for all fixed assets valued in excess of the limit set out in the Schedule of Financial Authority to Officers, and that valuations are made in accordance with the local authority accounting code of practice.
- b. Ensuring that the Executive Director for Growth, Planning and Housing puts in place an asset management plan that details short, medium and long term use of assets, and establishes arrangements for monitoring and reporting asset performance.
- c. Ensuring that all asset acquisitions and disposals are properly recorded and comply with the disposal policy and investment strategy.
- d. Prescribing the records to be maintained for any stocks and stores and for inventories of moveable assets.
- e. Approving the write off of deficiencies in any stocks, stores and inventory items subject to the limits set out in the Schedule of Financial Authority to Officers.

9.2 The Executive Director for Growth, Planning and Housing is responsible for:

- a. Maintaining up to date records of all land and buildings, including values, for inclusion in the corporate fixed asset register, and of the Council's housing stock in the format prescribed by the Executive Director of Finance & Resources.
- b. Arranging for the regular valuation of assets for accounting purposes to meet the requirements specified by the Executive Director of Finance & Resources.
- c. Establishing an asset management plan that details short, medium and long term use of assets, and monitoring and reporting on performance.
- d. Arranging the disposal of surplus assets in compliance with the disposal policy, or approved Housing Revenue Account asset management strategy, and subject to the necessary approvals.
- e. The acquisition of land and buildings on behalf of the Council in accordance with the asset management plan, Capital Programme and medium term financial plan, and subject to the necessary approvals.
- f. Notifying the Executive Director of Finance & Resources of acquisitions and disposals so that the accounting records can be updated.

- 9.3 Budget Managers are responsible for:
- a. Providing the Executive Director for Growth, Planning and Housing with all relevant information and documentation for the purposes of maintaining an up to date and complete fixed asset register.
  - b. Maintaining local inventories of moveable assets as directed by the Executive Director of Finance & Resources.
  - c. Ensuring that any stocks and stores are properly recorded and that unnecessarily high levels do not accumulate.
  - d. Ensuring that any cash holdings are kept to a minimum, within insurance limits and held securely.
  - e. Ensuring the proper security and safe custody of assets and reporting any assets that are lost, stolen or destroyed to the insurance team, facilities management and internal audit as appropriate.
  - f. Complying with guidance issued by the Executive Director of Finance & Resources on disposal of assets.
  - g. Seeking approval to write off deficiencies in any stocks, stores, or inventory items, subject to the limits set out in the Schedule of Financial Authority to Officers.
  - h. Ensuring that assets are used only in the course of the Council's business unless specific permission has been given otherwise

## **10. Insurance**

- 10.1 The Executive Director of Finance & Resources is responsible for:
- a. Determining the nature and level of insurance cover to be effected.
  - b. Effecting insurance cover and processing and settlement of all claims.
- 10.2 Budget Managers are responsible for:
- a. All new risks, properties or vehicles for which insurance is required.
  - b. Alterations affecting insurance arrangements.
  - c. Any loss, damage or claim.

## **11. Recharges**

- 11.1 The Executive Director of Finance & Resources is responsible for:
- a. Maintaining an appropriate system of internal recharges which ensures that the full cost of each service is identified.
  - b. Processing all charges and recharges on a regular and timely basis.
  - c. Advising on the operation of internal trading accounts.
- 11.2 Budget Managers are responsible for:
- a. Agreeing the basis of internal charges/recharges in advance of the financial year as part of the budget setting process.
  - b. Maintaining appropriate systems to calculate recharges or justify their apportionment.
  - c. Providing data to enable recharges to be processed on a regular and timely



- basis and responding in the event of any disputed charges.
- d. Complying with guidance issued by the Executive Director of Finance & Resources in relation to the operation of trading accounts.

## **Part G: External Arrangements**

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### **1. Principles**

- 1.1 All partnerships and joint working arrangements with outside bodies must be properly evaluated for risk before they are entered into, and be supported by clear governance, accounting and audit arrangements. Full Cabinet approval is required in order to set-up a new entity, such as a joint venture.
- 1.2 External funding can prove an important source of income but funding conditions must be carefully examined before any agreement is entered into to ensure they are compatible with the aims and objectives of Council.
- 1.3 Legislation enables the Council to trade and provide services to third parties. All such work must be intra vires and the respective risks and financial benefits associated with such work must be properly considered and a business case approved before any trading activities take place.

### **2. Partnerships and Joint Working**

- 2.1 The Executive Director of Finance & Resources is responsible for advising on the financing, accounting and control of partnership arrangements including:
  - a. Financial viability in current and future years
  - b. Risk appraisal and risk management arrangements
  - c. Resourcing and taxation
  - d. Audit, security and control requirements
  - e. Assessing any financial implications that may arise from these arrangements under IFRS9.
- 2.2 Budget Managers are responsible for:
  - a. Ensuring that any arrangements do not impact adversely upon Council services, that risk assessments have been carried out, and that appropriate approvals have been obtained before entering into any agreements.
  - b. Ensuring that agreements and arrangements are properly documented.
  - c. Maintaining local registers of partnerships entered into.
  - d. Providing appropriate information to the Executive Director of Finance & Resources to enable relevant entries to be made in the Council's accounts.
  - e. Ensuring that appropriate mechanisms are in place to monitor and report on performance.

### **3. External Funding**

- 3.1 The Executive Director of Finance & Resources is responsible for:
- a. Ensuring that any match funding requirements are considered prior to entering into any agreement, that future revenue budgets reflect these requirements, and that any longer term sustainability costs have been properly assessed.
  - b. Ensuring that all external funding is received and properly recorded in the Council's accounts and in the name of the Council.
  - c. Maintaining a central register of external funding/grant arrangements.
  - d. Ensuring that all audit requirements are met.
- 3.2 Budget Managers are responsible for:
- a. Ensuring that the sustainability of funding is assessed for risk, any agreements entered into are consistent with and support the Council's service priorities, and necessary approvals have been obtained.
  - b. All claims for funds are made by the due date.
  - c. Work is progressed in accordance with the project plan and all expenditure is properly incurred and recorded.

### **4. Trading**

- 4.1 The Executive Director of Finance & Resources is responsible for:
- a. Issuing guidance on the assessment of trading opportunities and options.
  - b. Advising on and approving the financial implications of any proposed trading arrangements between the Council and third parties.
  - c. Advising on the establishment and operation of trading accounts to ensure that the accounting and control processes comply with Council and statutory requirements and that the results of trading operations are properly recorded and reported.
- 4.2 Budget Managers are responsible for:
- a. Identifying potential trading opportunities, and evaluating the respective risks and financial benefits in accordance with the guidance issued by the Executive Director of Finance & Resources.
  - b. Obtaining the approval of the Executive Director of Finance & Resources and the Cabinet Member before proceeding.
  - c. Maintaining up to date details of all contracts on the corporate contracts register.
  - d. Complying with guidance issued by the Executive Director of Finance & Resources in relation to the operation of trading accounts and the proper recording and reporting of trading results.

## SCHEDULE OF FINANCIAL AUTHORITY TO OFFICERS

### INTRODUCTION

1. The Scheme of Delegated Authority to Officers sets out the powers and duties delegated to members of the Senior Leadership Team (SLT). SLT members may appoint appropriate “authorised officers” to act on their behalf. For the purposes of these Financial Regulations a member of SLT is defined as any post holder who is Band 6 or Band 7.
2. This Schedule sets out the approved financial limits within which SLT members, and authorised officers, may conduct the Council’s business. Changes to the limits/values contained within this Schedule may only be made with the approval of the Executive Director of Finance & Resources . Additionally, any changes to Members approval levels also require the approval of Council on recommendation of the Cabinet Member for Finance, Property and Regeneration.
3. For those items marked, the relevant SLT member has discretion to appoint appropriate authorised officers to act on his/her behalf. In all cases the member remains accountable for the effective operation of the financial authorities and must:
  - Maintain a written record of authorised officers.
  - Ensure that an appropriate segregation of duties is in operation, e.g., between ordering and paying for goods, between claiming and approving expenses.
  - Ensure compliance with the financial limits in this Schedule and any additional financial restrictions and limitations imposed by the Procurement Code (e.g., limits relating to waivers, extensions and variations) and HR policies (e.g., limits relating to overtime, allowances, honoraria and expenses).

### FINANCIAL MONITORING AND CONTROL (FINANCIAL REGULATIONS – PART D)

REF	DESCRIPTION	LIMIT/VALUE	APPROVER
Part D Sec 3	Individual Revenue Virements: <ul style="list-style-type: none"> <li>• Reallocation of approved budgets; system errors, technical accounting adjustments, coding changes within overall spending limits and reserves.</li> <li>• Virements with budget and policy changes.</li> </ul>	Unlimited  Up to £500k £500k to £1m  Over £1m	Executive Director of Finance & Resources  Executive Director of Finance & Resources in conjunction with appropriate Cabinet Member Relevant Cabinet Member in consultation with Cabinet Member for Finance, Property and Regeneration Leader or Cabinet

REF	DESCRIPTION	LIMIT/VALUE	APPROVER
	<p>Individual Capital Virements:</p> <ul style="list-style-type: none"> <li>• Reallocation of approved budgets; system errors, technical accounting adjustments, coding changes within overall spending limits and reserves.</li> <li>• Virements with budget and policy changes</li> </ul>	<p>Unlimited</p> <p>Up to £500k</p> <p>£500k to £1m</p> <p>Over £1m</p>	<p>Executive Director of Finance &amp; Resources</p> <p>Executive Director of Finance &amp; Resources in conjunction with appropriate Cabinet Member</p> <p>Relevant Cabinet Member in consultation with Cabinet Member for Finance, Property and Regeneration Leader or Cabinet</p>
	<p>A revenue virement is permissible only in the following circumstances:</p> <ul style="list-style-type: none"> <li>• To correct any errors made in the initial loading of the budget onto the accounting system</li> <li>• To reflect a structural reorganisation</li> <li>• To reflect a change in corporate priorities</li> <li>• The receipt of additional grant or other funding</li> <li>• The distribution of centrally held budgets</li> <li>• To reflect technical adjustments at the discretion of the Executive Director of Finance &amp; Resources</li> <li>• To make an adjustment for the use of earmarked reserves in revenue budgets</li> </ul>	<p>The following transfers are generally not permitted:</p> <ul style="list-style-type: none"> <li>• Transfers between capital and revenue</li> <li>• Transfers between employee related and non-employee budgets</li> <li>• Transfers between controllable and non-controllable (recharges and capital financing) codes</li> </ul>	

**FINANCIAL SYSTEMS AND PROCEDURES (FINANCIAL REGULATIONS – PART F), AND FINANCIAL PLANNING AND BUDGETING (FINANCIAL REGULATIONS – PART C)**

REF	DESCRIPTION	LIMIT/VALUE	APPROVER
<b>INCOME</b>			
Part F Sec 3	Individual Sundry debtor accounts write offs (note this is the sum of debt on an account to be written off not individual invoices)	Up to £10k	SLT member on recommendation of Finance Manager
		£10k to £50k	SLT member on recommendation of Finance Manager – Corporate Finance and with the agreement of a Strategic Finance Manager – Corporate Finance and Tri-Borough Director of Law
		£50k to £100k	SLT member on recommendation of Strategic Finance Manager – Corporate Finance and with the agreement of Assistant Executive Director of Finance & Resources and Tri-Borough Director of Law
		Over £100k	Cabinet Member on recommendation of Executive Director of Finance & Resources and Tri-Borough Director of Law
	Individual Council Tax, NNDR, housing benefits overpayments and former client rent arrears write offs (per account / reference)	Up to £10k	Head of Shared Service Centre
		Up to £100k	Head of Shared Service Centre and Tri-Borough Director of Law
		Over £100k	Cabinet Member on recommendation of Chief Finance Officer and Tri-Borough Director of Law
	Individual Housing rent write offs (per account reference)	Up to £10k	Executive Director for Growth, Planning & Housing with the agreement of Strategic Finance Manager Growth, Planning & Housing

		Up to £100k	Executive Director of Growth, Planning & Housing with the agreement of the Strategic Finance Manager Growth, Planning & Housing and Head of Shared Service Centre.
		Over £100k	Cabinet Member on recommendation of Executive Director of Finance & Resources and Tri -Borough Director of Law
	Individual Council Tax and NNDR Refunds (per account / reference)	Unlimited	Head of Shared Service Centre
	Fees and Charges	Increase/decrease	ELT in consultation with Strategic Finance Manager and Cabinet Member
		New charges	Cabinet Member
<b>EXPENDITURE</b>			
Part F Sec 4	Approving placement of individual orders (commitments) with suppliers/contractors	Up to £10k	Budget Manager (designated by SLT member)
		£10k to £500k	Budget Manager designated by SLT member, following Procurement Code Peer (Procurement Gate Panel recommendation required for expenditure over £100k). For urgent awards involving essential statutory services Procurement Gate Panel recommendation is not required.
		£500k to £1.5m	Head of Service designated by SLT member
		Over £1.5m (£300k for consultancy agreements)	Cabinet Member
	Approving expenditure commitments on capital schemes	Up to £10k	Budget Manager (designated by SLT member)
		£10k to £500k	Budget Manager designated by SLT member, following Procurement Code Peer (Procurement Gate Panel recommendation required for expenditure over £100k) For urgent awards involving essential statutory services Procurement Gate Panel recommendation is not required.
		£500k to £1.5m	Head of Service (designated by SLT member) in consultation with CRG For urgent awards involving essential statutory services CRG consultation is not required.

		Over £1.5m	Cabinet Member
Part C Sec 3	Approving additional budget on capital schemes/new capital schemes	Up to £500k	Executive Director of Finance & Resources in conjunction with Lead Member
		Over £500k	Cabinet Member/Cabinet
Part F Sec 4	Authorising payment of invoices	Up to £500k	Budget Manager (designated by SLT member)
		Over £500k	Head of Service, in conjunction with SLT member
	Procurement card transactions/expenses	Up to £500	Approved Departmental Officer
		£500 to £1000	Budget Manager
		£1000 to £2000	Head of Service
	Approving compensatory payments	Up to £2000	ELT Member
		Over £2000	General Purposes Committee
	Corporate credit card transactions (emergency use)	Up to £20k	SLT member (essential that relevant Line Manager has agreed prior approval)
	Cash payments (exceptional use)	£100	SLT member
	Emergency expenditure	Up to £500k	Executive Director City Management and Communities in line with Scheme of Officer Delegations

<b>TREASURY MANAGEMENT</b>			
Part F Sec 7	Expenditure relating to treasury management and investments	Up to £500k	Tri-Borough Director for Treasury and Pensions
		Up to £1.5m	Executive Director of Finance & Resources
		Over £1.5m	Cabinet Member
	Placing of treasury investments	In line with TM Strategy and any operational lower limits	As authorised to transact in letters approved by Executive Director of Finance & Resources
	Expenditure relating to the operating of contracts for the pension fund	Up to £500k	Tri-Borough Director for Treasury and Pensions
		Over £500k	Executive Director of Finance & Resources
	Placing of pension fund investments	Up to £500k	Strategic Investment Manager
		Up to £750k	Tri-Borough Director for Treasury and Pensions
		Up to £1.5m	Executive Director of Finance & Resources
		Over £1.5m	Pension Fund Committee
	Transfers between, withdrawals from or additions to Pension Managers Funds	Up to £1m	Strategic Investment Manager
		Up to £5m	Tri-Borough Director for Treasury and Pensions
		Up to £10m	Executive Director of Finance & Resources
		Over £10m	Pension Fund Committee



<b>ASSET MANAGEMENT</b>			
Part F Sec 9	Writing off deficiencies in stocks, stores and inventories	Up to £10k	SLT member
		£10k to £100k	SLT member with the agreement of Strategic Finance Manager (on behalf of Executive Director of Finance & Resources and Tri-Borough Director of Law)
		Over £100k	Cabinet Member
	Disposal of freehold and leasehold land and property. Purchase, surrender, renewal, variation and re-gearing of property leases	Where premium does not exceed £500k or rental value does not exceed £125k Where premium exceeds £500k or rental value exceeds £125k	Chief Executive in line with Scheme of Officer Delegations  Cabinet
	Value for including items in fixed assets register	Over £10k	

### EXTERNAL ARRANGEMENTS (FINANCIAL REGULATIONS – PART G)

REF	DESCRIPTION	LIMIT/VALUE	APPROVER
Part G Sec 3	External trading – business case approval	Contracts up to £1.5m	ELT Member in consultation with Executive Director of Finance & Resources
		Contracts over £1.5m	Cabinet Member