

Section D

Financial Systems and Procedures

FINANCIAL SYSTEMS AND PROCEDURES

SECTION D: Financial Systems and Procedures

CONTENTS

<u>Chapter 1: General No's.</u>	<u>Paragraph</u>
● Budgetary	1 - 16
● Budget Preparation and Business Planning	17 - 36
● Resource Allocation	37 - 44
● Monitoring and Controlling Budgets	45 - 74
● Virement (including Thresholds)	75 - 88
<u>Chapter 2: Accountancy</u>	
● Financial Records and Returns	1 - 13
● Treatment of In Year Balances	14 - 20
● Maintenance of Reserves/Provisions	21 - 38
● Annual Statement of Accounts	39 - 45
● Taxation	46 - 57
<u>Chapter 3: Income and Expenditure</u>	
● Income	1 - 38
● Expenditure	39 - 78
● Imprest Accounts	79 - 80
● Treasury Management	81 - 94
● Banking	95 - 97
● Trust Funds and funds held for Third Parties	98 - 100
<u>Chapter 4: Assets</u>	
● General	1 - 21
● Inventories	22 - 34
● Asset Disposal and Write-off Procedures	35 - 42

CHAPTER 1 - GENERAL

BUDGETARY

Deputy Chief Executive and City Treasurer

1. Responsible for ensuring that the Council's financial systems are sound.
2. Responsible for establishing arrangements to approve and be notified, in advance, of any proposed new developments or changes to existing financial systems.
3. Responsible for the operation and administration of the Council's accounting systems, the form of accounts and the supporting financial records, including to:
 - issue advice, guidance and procedures for officers and others acting on the Council's behalf.
 - determine the accounting systems, form of accounts and supporting financial records.
 - ensure that accounts are closed down and financial statements prepared in line with the statutory deadlines.
 - establish arrangements for audit of the Council's financial affairs.
 - comply with Whole of Government accounts requirements, given statutory effect by the Finance Act 1998, in accordance with CIPFA and National Audit Office guidance.

Chief Officers and Heads of Service

4. Responsible for the proper operation of financial processes in their respective service.
5. To ensure that accounting records are properly maintained and held securely.
6. To ensure that systems are documented and that staff receive relevant financial training before staff are granted access to financial systems.
7. To ensure that the Deputy Chief Executive and City Treasurer has approved any changes to the existing procedures, financial systems or the establishment of new systems in advance of implementation.
8. Responsible for ensuring that a proper Scheme of Delegation has been established within their area and is operating effectively. The Scheme of Delegation should identify staff authorised to act on the Chief Officer's and Heads of Service's behalf, in respect of committing expenditure, payments and income collection, together with the limits of their authority.
9. To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Deputy Chief Executive and City Treasurer.

FINANCIAL SYSTEMS AND PROCEDURES

10. To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
11. To incorporate appropriate controls to ensure that, where relevant:
 - all input is genuine, complete, accurate, timely and not previously processed;
 - all processing is carried out in an accurate, complete and timely manner;
 - output from the system is complete, accurate and timely;
 - data is backed up on a regular basis.
12. To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
13. To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems and to ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
14. To ensure that computer systems are registered and operated in accordance with data protection **legislation**, copyright, designs and patents legislation and that staff are aware of their responsibilities under the legislation. To ensure that:
 - only software legally acquired and installed by the Council is used on its computers.
 - staff are aware of legislative provisions.
 - in developing systems, due regard is given to the issue of intellectual property rights.
15. To ensure that the Council's information and ICT security standards are complied with.
16. To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.

BUDGET PREPARATION AND BUSINESS PLANNING

17. Budgets represent the expression in financial terms of the Council's policies and constitute a statement of intent against which judgements can be formed. Each Chief Officer in consultation with the Deputy Chief Executive and City Treasurer must prepare a revenue budget to be presented to the Executive prior to scrutiny and approval by Full Council. Chief Officers may then spend within the amounts shown in the relevant budgets as long as the spending relates to the Council's existing policies. Each Chief Officer, in conjunction with the Deputy Chief Executive and City Treasurer, has a responsibility to ensure that their budgets and establishments are accurately reflected on the Council's financial system (SAP) by 1 April.
18. The Deputy Chief Executive and City Treasurer must collate capital estimates jointly with Chief Officers and Heads of Services to submit them as a capital programme,

FINANCIAL SYSTEMS AND PROCEDURES

including any associated financing requirements, to the Executive which will make recommendations for approval by the Full Council.

19. It is illegal for the Council to budget for a deficit.

Full Council

20. Responsible for approving the general format of the Revenue and Capital Budget, proposed by the Executive on the advice of the Deputy Chief Executive and City Treasurer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.
21. Responsible for approving the Council's Revenue and Capital Budget and Policy Framework proposed by the Executive. The Policy Framework comprises the plans and strategies set out in Article 4 of Part 2 of the Constitution.
22. In terms of financial planning, the key elements are:
 - The **Our** Manchester Strategy;
 - Medium Term Financial Strategy (including the Strategic Approach, *Directorate Budget and Business Plan reports* and Medium Term Financial Plan, Housing Revenue Account Business Plan);
 - Capital Strategy and Programme;
 - Treasury Management **Strategy**;
 - Annual Investment Strategy;
 - Minimum Revenue Provision Strategy.

Executive

23. Responsible for approving guidance on the general content of the Revenue and Capital Budget as submitted by the Deputy Chief Executive and City Treasurer.
24. Responsible for proposing the Revenue and Capital Budget and policy framework to the Full Council, and for discharging executive functions in accordance with the Revenue and Capital Policy Framework and Budget.
25. To approve schedules for individual capital schemes within the overall budget approved by Full Council.

Resources and Governance Scrutiny Committee

26. To exercise scrutiny functions in relation to financial matters, and other general matters and report to the Executive and/or Full Council, as appropriate.

Deputy Chief Executive and City Treasurer

27. To prepare and submit reports on budget prospects, for the Executive, including resource constraints set by the government. Reports should take account of medium term prospects, where appropriate.

FINANCIAL SYSTEMS AND PROCEDURES

28. To prepare and submit reports to the Executive and the Council on the aggregate spending plans of services and on the resources available to fund them, including the robustness of the estimates made and the adequacy of proposed financial reserves, and identifying, where appropriate, the implications for the level of Council Tax to be levied and on the level of housing rents/service charges.
29. To prescribe detailed formats for revenue and capital budget preparation as follows:

Revenue	Capital
To prescribe the detailed format for the preparation of revenue estimates, for submission to and approval by Full Council, in accordance with the Council's general directions.	To issue guidance relating to the strategy and controls for capital schemes. The Deputy Chief Executive and City Treasurer, having regard to Government regulations and accounting requirements, will determine the definition of 'capital'.
The Deputy Chief Executive and City Treasurer is responsible for ensuring that a revenue budget is prepared on an annual basis for consideration by the Executive, before submission to the Full Council. The Full Council may amend the budget or ask the Executive to reconsider it before approving it.	Responsible for ensuring that a capital programme, including prudential indicators for the forthcoming year is prepared on an annual basis for consideration by the Executive before submission to the Full Council. The report to the Executive to take into account, when setting or revising prudential indicators, the following: <ul style="list-style-type: none"> - affordability; - prudence and sustainability; - value for money; - stewardship of assets; - service objectives; - practicality.
To ensure, where appropriate, that proposals have been through the Council's Revenue Gateway Panel process prior to Executive approval. This includes approval for: <ul style="list-style-type: none"> - request to bid for new external funding; - request to utilise increased grant resources allocated to the Council in year (includes any external funds allocated/received in advance); - bid for unbudgeted use of reserves; - request for release of funds approved in the budget but not yet allocated to departmental cash limit. 	To collate capital estimates jointly with Chief Officers and Heads of Services and the Chief Executive and to submit them to the Executive for approval. The Executive will make recommendations on the capital estimates and on any associated financing requirements to the Full Council. Executive approval is required where a Chief Officer and/or Head of Service proposes to bid for, or exercise additional borrowing approval, not anticipated in the capital programme.

FINANCIAL SYSTEMS AND PROCEDURES

	To approve, in conjunction with the Executive Member for Finance and Human Resources, capital schemes that include project plans, progress targets and associated revenue expenditure submitted by Chief Officers and Heads of Services.
	To ensure that all capital schemes have been through the Council's Capital Approval Process before approval to spend the allocation is granted. Note that approval is also required for all externally funded schemes (including those which are 100% funded from external sources).

30. The guidelines will take account of:

- legal requirements;
- medium-term planning prospects;
- the **Our** Manchester Strategy;
- available resources;
- spending/income pressures;
- CIPFA Accounting Codes and other relevant government guidelines;
- other internal policy documents;
- cross-cutting issues (where relevant).

31. To encourage the best use of resources and value for money by working with Chief Officers and Heads of Services to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

Chief Officers and Heads of Service

32. To ensure that priorities within Business Plans are delivered and that budgets are balanced across services within their directorates.
33. To ensure that there is a clear direction for the services in their directorate that aligns with the **Our** Manchester Strategy. The Chief Officer must provide leadership for change, innovation and creativity.
34. Responsibility to ensure that budget estimates reflecting agreed service plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Deputy Chief Executive and City Treasurer.

FINANCIAL SYSTEMS AND PROCEDURES

35. To prepare budgets that are consistent with any relevant cash limits, with the Council's annual budget cycle and with guidelines issued by the Deputy Chief Executive and City Treasurer. The Deputy Chief Executive and City Treasurer in accordance with the Full Council's general directions will prescribe the format.
36. When drawing up draft budget requirements, to have regard to:
- spending patterns and pressures revealed through the budget monitoring process;
 - legal requirements;
 - de minimis levels (capital),
 - policy requirements as defined by the Full Council in the approved policy framework and with partners in the delivery of the **Our Manchester Strategy**,
 - initiatives already under way; and
 - the following table:

Revenue	Capital
To comply with the laid-down guidance, controls and timetable issued by the Deputy Chief Executive and City Treasurer, and prepare detailed draft revenue proposals for consideration by the Executive and scrutiny committees.	To comply with the laid-down guidance, controls and timetable issued by the Deputy Chief Executive and City Treasurer, and prepare detailed draft capital bids for consideration by the Executive and scrutiny committees.
To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures, a risk assessment has been carried out and that links are made with workforce development planning.	To submit a prioritised list of bids as part of the annual capital budgeting process representing the schemes required to deliver service strategy.
To prepare estimates of income and expenditure, with guidance from the Deputy Chief Executive and City Treasurer, to be submitted to the Executive. To ensure that budget estimates reflecting agreed service plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Executive and Deputy Chief Executive and City Treasurer.	To prepare schedules for individual schemes within the overall capital budget approved by the Full Council and submit to the Executive for approval or under other arrangements approved by the Full Council.
To submit revenue proposals through the Council's Revenue Gateway process and subsequent approval by the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources and Executive as required. This includes:	To ensure that a scheme and estimate, including: <ul style="list-style-type: none"> - business case; - project plan; - progress targets; - associated revenue expenditure;

FINANCIAL SYSTEMS AND PROCEDURES

<ul style="list-style-type: none"> - request to bid for new external funding; - request to utilise increased grant resources allocated to the Council in year (includes any external funds allocated/received in advance); - bid for unbudgeted use of reserves; - request for release of funds approved in the budget but not yet allocated to departmental cash limit. 	<ul style="list-style-type: none"> - proposed funding; and - expected outcomes <p>is prepared for each capital project, and submitted for approval through the Capital Approval Process and by the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources.</p>
	<p>To ensure that approvals for all capital expenditure proposals are obtained prior to a scheme's commencement from the Deputy Chief Executive and City Treasurer and the Executive Member for Finance and Human Resources and that capital expenditure approvals are not exceeded.</p>

RESOURCE ALLOCATION

Executive

37. Responsible for taking in-year decisions on resources and priorities in order to deliver the budget and policy framework within the financial limits set by the Council.

Deputy Chief Executive and City Treasurer

38. To develop and maintain a resource allocation process that ensures due consideration of the Full Council's Policy Framework and legal constraints.
39. To advise on methods available for the funding of resources, such as grants from Central Government and borrowing requirements.
40. To advise on the suitability of proposals to introduce/modify financial procedures to control resources.
41. To reallocate approved resources for the capital budget at out-turn to provide the most advantageous financial outcome for the Council provided that this does not result in an increase in the Council's level of borrowing.

Chief Officers and Heads of Service

42. To assist in the allocation of resources to budget managers.
43. To work within delegated cash limits (General Fund) and to utilise resources allocated, and furthermore to allocate resources, in the most efficient, effective and economic way.
44. To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

MONITORING AND CONTROLLING BUDGETS

45. Chief Officers and Heads of Service must ensure that they comply with the rules in relation to key decisions set out in Rule 16 of the Access to Information Procedure Rules in Part 4 of this Constitution.

Deputy Chief Executive and City Treasurer

46. Ensure the deployment of adequate staff resources to ensure that the process of budget monitoring is adequately supported.
47. In consultation with the **City Solicitor** responsible for advising the Executive or Full Council about whether a decision is likely to be considered contrary to, or not wholly in accordance with the budget. Such actions include:
- initiating a new policy;
 - committing expenditure in future years above the approved budget level;
 - interdepartmental transfers above virement limits (see 76-89 below);
 - causing total net expenditure to increase beyond the approved budget.
48. To establish an appropriate budgetary framework to monitor, manage and control to ensure that:
- Budget management is exercised within annual cash limits unless the Full Council agrees otherwise;
 - Each Chief Officer and Head of Service has available timely information on expenditure and income on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
 - Expenditure is committed only against an approved budget head;
 - Officers responsible for committing expenditure comply with relevant guidance and financial regulations;
 - Each cost centre / **capital project** has a single named manager (Cost Centre Manager / **Project Officer**), determined by the relevant Chief Officer and Head of Service. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure;
 - Each Cost Centre Manager / **Project Officer** must be set up in the Council's computerised financial management system and an appropriately authorised substitute must also be identified and set up to undertake approvals in the absence of the Cost Centre Manager / **Project Officer**;
 - Significant variances from approved budgets are investigated and reported by budget managers regularly and should include mitigating action to address pressures.

FINANCIAL SYSTEMS AND PROCEDURES

Revenue	Capital
Responsible for monitoring and controlling overall expenditure and income against budget allocations and report to the Executive on the Council's overall position on a regular basis.	Authorising, in consultation with the Executive Member for Finance and Human Resources, increases in capital expenditure by up to £0.5 million per scheme, subject to external funding, capital receipts or revenue budget being available.
The procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework, and for determining the circumstances in which a decision will be deemed contrary to the budget or policy framework, are set out in the Budget and Policy Framework Procedure Rules. The City Solicitor should refer decisions to the Full Council.	To report and seek Executive approval for increasing capital expenditure per scheme in excess of £0.5 million which can be funded through additional external funding, capital receipts and revenue budgets.
To submit reports to the Executive and to the Full Council, in consultation with the relevant Chief Officer and Head of Service, where a Chief Officer or Head of Service is unable to balance expenditure and resources within existing approved budgets under their control.	To prepare and submit monitoring reports to the Executive on the projected income, expenditure and resources compared with the approved estimates and to recommend action where necessary to ensure that capital expenditure is fully funded.

49. To administer the Council's scheme of virement (*see from paragraph 82 below*).
50. To ensure prior approval by the Full Council or the Executive (as appropriate) for new proposals, of whatever amount, that:
- create financial commitments in future years
 - change existing policies, initiate new policies or cease existing policies
 - materially extend or reduce the Council's services.
51. To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.
52. Where an approved budget (a lump sum budget or contingency) is intended for allocation during the year, funding may be used without further approval, provided that:
- the amount is used in accordance with the purposes for which it has been established
 - the Executive has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Executive.

FINANCIAL SYSTEMS AND PROCEDURES

Chief Officers and Heads of Services

53. To exercise discretion in managing budgets responsibly and prudently. For example, they should not support recurring revenue expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Chief Officers and Heads of Services must plan to fund such commitments from within their own budgets.
54. To maintain budgetary control within their services, in adherence to the principles above, and to ensure that all income and expenditure is properly recorded and accounted for.
55. To ensure that spending remains within the service's overall budget allocation, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are projected.

Revenue	Capital
Responsibility to control income and expenditure within their area and within the cash limited budget allocation delegated to them, and to monitor performance. They should report on variances within their own areas and take necessary action to avoid exceeding their budget allocation and alert the Deputy Chief Executive and City Treasurer to any problems. Where there are budget pressures mitigating actions should be identified.	To prepare returns of projected estimated final costs of schemes, in the approved capital programme, for submission to the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources.
	To consult with the Deputy Chief Executive and City Treasurer and to seek Executive approval where the Chief Officer and/or Head of Service proposes to bid for grants to be issued by Government departments or others to support expenditure that has not been included in the current year's capital programme.

56. To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Deputy Chief Executive and City Treasurer and, if applicable, approval of the scheme through the capital programme.
57. To ensure that priorities within Business Plans are delivered and that budgets are balanced across services within their directorates.

FINANCIAL SYSTEMS AND PROCEDURES

58. To be responsible for ensuring that the resource implications of all new projects which they initiate are identified in briefing papers to the Deputy Chief Executive and City Treasurer and the relevant Executive Member.
59. Chief Officers to provide appropriate and necessary support and challenge to all Heads of Service to ensure the delivery of the **Our Manchester Strategy 2016-2025** including the priorities set out for growth, reform and place.
60. To be responsible for ensuring that their service provides services to the agreed standard and within their approved budget.
61. To be responsible for liaising with the relevant Executive Member and Strategic Management Team regarding progress against priorities within Business Plans.
62. To be responsible for ensuring that in circumstances where the delivery of organisational priorities, within agreed budget, is compromised, this is escalated to the Strategic Management Team for resolution.
63. Fortuitous income (deemed to be additional income that in aggregate totals or exceeds £100,000 in a service), cannot be retained within cash limit budgets and must be reported to the Deputy Chief Executive and City Treasurer and then **the** Executive for consideration of how these additional monies are to be used.
64. The accountability for delivery of the Business Plan within the allocated budget lies with the Head of Service. This will include continuous improvement in quality and efficiency. The Business Plan will include transformation projects.
65. Heads of Service are expected to regularly review service performance against the objectives set in the Business Plan and re-prioritise where necessary to address performance and budget constraints.
66. Heads of Service are accountable for the achievement of efficiencies identified / allocated to their services.
67. Heads of Service have a responsibility to proactively engage other Heads of Service on cross cutting issues. In particular, Heads of Service must not pursue proposals for improvement or efficiency that have cost implications for other services without first discussing and agreeing with them with their colleagues. Furthermore, Heads of Service must not claim efficiencies which are already allocated to a cross cutting savings target without agreement from the Deputy Chief Executive and City Treasurer.
68. Heads of Service are accountable for ensuring that appropriate systems and processes are in place to ensure the effective management of their service.
69. It is the responsibility of Heads of Service to ensure that effective performance and budget monitoring takes place within their service.
70. Heads of Service are responsible for ensuring that their budget is delegated to named Cost Centre Managers. Each Cost Centre Manager must assign a substitute to take responsibility for these budgets in their absence. Heads of Service are responsible for ensuring that these managers understand and undertake their budgetary responsibilities effectively.

FINANCIAL SYSTEMS AND PROCEDURES

71. Where risks emerge to the delivery of a balanced budget or key performance targets, it is the responsibility of the Head of Service to identify and pursue all options for managing these risks within the service. Only after all options have been investigated, challenged and evaluated should Heads of Service escalate the issue(s) to their Chief Officers for appropriate action.
72. The Heads of Finance and their finance teams support the Heads of Service in setting budgets and establishing appropriate systems and processes for managing service budgets.
73. The budget position should be reported monthly to the Directorate Management Team and should include:
 - Budget allocations;
 - Projected outturn;
 - Variance of projected outturn against budget allocation;
 - Explanation for any significant variances and comments on trends and future impact;
 - Forecast achievement of savings against target;
 - Identification of risks and/or pressures and mitigating action to be taken to address the risk and/or pressure.
74. To prepare and submit, to the service's Executive Member, reports on projected expenditure and income compared with the budget, in the form prescribed by and in accordance with, the timetable and guidelines issued by the Deputy Chief Executive and City Treasurer.

VIREMENT

75. As part of the Virement Policy a change in a budget due to a transfer from another budget can be approved within the limits set out within these regulations.
76. A revenue virement is deemed to be:
 - A transfer of budget from non-pay to pay budgets or vice versa;
 - A transfer of budget to meet a contractual long-term commitment;
 - A transfer of budget between distinct service areas (for example from Highway Services to Cultural Services);
 - A transfer of budget for a different purpose as that set out in the approved Budget and Business Plan.
77. A capital virement is deemed to be movement of budget between approved capital schemes.

FINANCIAL SYSTEMS AND PROCEDURES

Full Council

78. Responsible for agreeing **the policy** for virement of expenditure between budget headings and for approving any variation to the **policy**.

Executive

79. In accordance with the Virement **Policy** and associated thresholds, responsible for considering reports submitted by the Deputy Chief Executive and City Treasurer and Chief Officers in respect of virement proposals for revenue and capital expenditure.
80. Responsible for considering reports submitted by the Deputy Chief Executive and City Treasurer and Chief Officers and approving any revenue expenditure where:
- it is for the release of earmarked sums from central contingency.
 - where the proposed virement is likely to have an adverse effect on any published performance indicator.

Deputy Chief Executive and City Treasurer

81. To administer the Virement **Policy** agreed by Full Council and in accordance with the Budget and Policy Framework Procedure Rules.
82. In accordance with the scheme of virement and associated thresholds, responsible for considering reports submitted by the Chief Officers and Heads of Services in respect of virement proposals for revenue and capital expenditure.
83. In conjunction with Chief Officers and Heads of Services, to report to and seek the prior approval of the Executive for any revenue expenditure where:
- it is for the release of earmarked sums from central contingency.
 - where the proposed virement is likely to have an adverse effect on any published performance indicator.
84. To report and seek the approval of the Chief Executive (in consultation with the Leader, and the Executive Member for Finance and Human Resources) to the exercise of the virement powers of the Executive where a matter is urgent.

Chief Officers

85. To ensure compliance with the scheme of virement (see table below).

Threshold	Revenue	Capital
Up to £50,000	Chief Officers to vire up to £100,000 following notification to the Deputy Chief Executive and City Treasurer.	Chief Officers to vire up to £50,000 from within the capital programme following notification to the Deputy Chief Executive and City Treasurer.

FINANCIAL SYSTEMS AND PROCEDURES

£50,000 < £100,000		Chief Officers to vire £50,000 to £100,000 with the approval of the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources.
£100,000 < £250,000	Chief Officers to exercise virement following approval of the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources. Requests must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial year.	Deputy Chief Executive and City Treasurer to report and seek Executive approval for virements in excess of £100,000 and up to £500,000.
£250,000 < £500,000	As above with Deputy Chief Executive and City Treasurer to report and seek Executive approval	
In excess of £500,000	Deputy Chief Executive and City Treasurer to report and seek approval from the Full Council for virements in excess of £500,000.	Deputy Chief Executive and City Treasurer to report and seek approval from the Full Council for virements in excess of £500,000.

86. To agree with the relevant Chief Officer where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Chief Officer's level of service delivery.
87. In conjunction with the Deputy Chief Executive and City Treasurer to report to, and seek the prior approval of, the Executive for any revenue expenditure to be funded from the release of earmarked sums from central contingency.
88. To report to, and seek the prior approval of, the Deputy Chief Executive and City Treasurer for any revenue expenditure to be funded from the planned use of reserves, including where grant funding across more than one year has to be held in a reserve.

CHAPTER 2 - ACCOUNTANCY

FINANCIAL RECORDS AND RETURNS

Deputy Chief Executive and City Treasurer

1. To determine the accounting procedures and records for the Council. Where these are maintained outside the Financial Management Division, the Chief Officers and Heads of Service should consult with the Deputy Chief Executive and City Treasurer.
2. To comply with the following principles when allocating accounting duties:
 - Separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them.
 - Officers with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
3. To arrange for the compilation of all accounts and accounting records under their direction.
4. To ensure that all claims for funds including grants, for which he or she is responsible for, are made by the due date.
5. To administer the Council's arrangements for under and overspendings to be carried forward to the following financial year.

Chief Officers and Heads of Service

6. To comply with the following principles when allocating accounting duties:
 - Separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them.
 - Officers with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
7. To consult and obtain the approval of the Deputy Chief Executive and City Treasurer before making any changes to accounting records and procedures.
8. To maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.
9. To comply with accounting guidance provided by the Deputy Chief Executive and City Treasurer and to supply the Deputy Chief Executive and City Treasurer with information in the format, and by the date, requested.

FINANCIAL SYSTEMS AND PROCEDURES

10. To supply information required to enable the Annual Statement of Accounts to be completed in accordance with **the guidelines and timescales** issued by the Deputy Chief Executive and City Treasurer.
11. To ensure that all claims for funds, including grants, which the Chief Officers and Heads of Service are responsible for, are made by the due date.
12. To ensure that adequate records are maintained for all capital contracts and to report on the spend against the projects as required in line with the requirements of the Deputy Chief Executive and City Treasurer.
13. To prepare and submit an annual report, in consultation with the Deputy Chief Executive and City Treasurer, to the Executive on the completion of all contracts, revenue and capital, where the final expenditure exceeds the approved contract sum.

TREATMENT OF IN YEAR BALANCES

Full Council

14. Responsible for agreeing guidelines for the carrying forward of under and overspendings on budget headings.

Executive

15. Any overspending on service estimates in total on General Fund budgets, under the control of the Chief Officers and Heads of Service, and which are determined by the Executive, are to be carried forward to the following year, unless the Executive determines otherwise.
16. To consider applications from Chief Officers and Heads of Services to **carry forward managed underspendings** in excess of **service estimates**.

Deputy Chief Executive and City Treasurer

17. To administer the **arrangements for carry forward of overspendings and underspendings** within guidelines approved by Full Council.
18. To report all overspendings and underspendings on service estimates carried forward to the Executive and to Full Council.

Chief Officers and Heads of Service

19. All trading operation surpluses shall be retained for the benefit of the Council. However, Chief Officers and Heads of Services may apply to the Executive to re-invest surpluses.
20. Managed underspendings and/or additional, but not fortuitous, income on service estimates under the control of the Chief Officers and Heads of Service (General Fund) may be carried forward, subject to:
 - Recommendation by the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources.

FINANCIAL SYSTEMS AND PROCEDURES

- Reporting to the Executive the source of the managed underspending or additional income and the proposed application of any carry forward.
- Subsequent approval of the Executive.

MAINTENANCE OF RESERVES/PROVISIONS

Full Council

21. To approve the use of reserves (excluding those established from the carry forward of grants across financial years) which is in addition to that already planned and is in excess of £2m in aggregate in any financial year.
22. To approve the use of reserves established from the carry forward of grants across financial years which is in addition to that already planned and is in excess of £2m in aggregate in any financial year.

Executive

23. To consider reports for the Deputy Chief Executive and City Treasurer on prudent levels of reserves for the Council.
24. To consider reports from the Deputy Chief Executive and City Treasurer on the adequacy of proposed financial reserves.
25. To consider reports from the Deputy Chief Executive and City Treasurer approving the use of reserves (excluding those established from the carry forward of grants across financial years), in addition to that already planned, up to £2m in aggregate in any financial year.
26. To consider reports from the Deputy Chief Executive and City Treasurer approving the use of reserves which have arisen from the carry forward of grants across financial years, in addition to that already planned, up to £2m in aggregate in any financial year.

Deputy Chief Executive and City Treasurer

27. To ensure that there are clear protocols for the establishment and use of reserves **and** provisions.
28. In consultation with Chief Officers and Heads of Service establish reserves and/or provisions and provide guidance on how to incur expenditure from reserves/provisions.
29. To advise the Executive and/or the Full Council on prudent levels of reserves for the Council, and to take account of the view of the external auditor in this matter.
30. To report to the Executive and/or the Full Council on the adequacy of proposed financial reserves.
31. To agree with the relevant Chief Officer the draw-down of the use of reserves where the planned use is included in the Council's Revenue Budget Report.

FINANCIAL SYSTEMS AND PROCEDURES

32. To report and seek Executive approval for the use of reserves (excluding those established from the carry forward of grants) in addition to that already planned and up to £2m in aggregate in any financial year. For use of reserves in excess of £2m in aggregate approval of Full Council is required.
33. To report and seek Executive approval for the use of reserves established from the carry forward of grants across financial years in addition to that already planned and up to £2m in aggregate in any financial year. For use of reserves in excess of £2m in aggregate approval of Full Council is required.
34. To report to the Executive and/or the Full Council if a **reserve or provision** is, or is likely to be, inadequate.

Chief Officers and Heads of Service

35. Subject to the approval of the Deputy Chief Executive and City Treasurer to establish reserves and/or provisions and the incurring of expenditure from reserves/provisions.
36. To ensure that the use of reserves when approved by the Deputy Chief Executive and City Treasurer and the Executive, or Full Council, as appropriate, is planned in to the budget.
37. To ensure such resources are used only for the purposes for which they were intended.
38. To comply with protocols and procedures as laid down by the Deputy Chief Executive and City Treasurer.

ANNUAL STATEMENT OF ACCOUNTS

Audit Committee

39. Responsible for approving the audited statutory Annual Statement of Accounts **and associated governance and accounting policy documents in accordance with the Accounts and Audit Regulations 2015.**

Deputy Chief Executive and City Treasurer

40. Responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the format required by the relevant Codes of Practice on Local Authority Accounting in the United Kingdom, for each financial year ending 31st March.
41. Responsible for the selection of suitable accounting policies and ensure that they are applied consistently and comply with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The accounting policies are **reported to Audit Committee and** set out in the Statement of Accounts, which is prepared **as** at 31st March each year, and covers such items as:
 - the basis on which debtors and creditors are included in the accounts;
 - provisions and reserves;

FINANCIAL SYSTEMS AND PROCEDURES

- property, plant and equipment;
 - depreciation;
 - accounting for value added tax;
 - government grants;
 - leasing;
 - private finance initiatives;
 - pensions; and
 - borrowing and investments.
42. To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.
43. To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations 2015.
44. To sign and date the Statement of Accounts, stating that it presents fairly the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March **in accordance with the statutory timetable**.
45. To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Audit Committee to approve the statement of accounts in accordance with the statutory timetable.

TAXATION

Deputy Chief Executive and City Treasurer

46. Responsible for advising Chief Officers and Heads of Services, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.
47. Responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
48. To complete all HM Revenue and Customs returns regarding Pay As You Earn (PAYE).
49. To **submit** a monthly return of VAT inputs and outputs to HM Revenue and Customs.
50. To provide details to the HM Revenue and Customs of deductions made under the Construction Industry Tax Deduction Scheme.
51. To maintain up-to-date guidance for Council employees on taxation issues in the tax manual.

FINANCIAL SYSTEMS AND PROCEDURES

52. To maintain an up-to-date register of VAT de minimis payments in accordance with the Value Added Tax Act 1994.

Chief Officers and Heads of Service

53. To ensure that the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all output tax is properly identified and recorded.
54. To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
55. To ensure that the Council is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the Value Added Tax Act 1994.
56. To ensure that all persons employed by the Council are added to the Council's payroll and that tax is deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
57. To follow the guidance on taxation issued by the Deputy Chief Executive and City Treasurer.

CHAPTER 3 – INCOME AND EXPENDITURE

INCOME

Deputy Chief Executive and City Treasurer

1. To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection and accounting for VAT.
2. To ensure that there is a robust cash handling and banking procedures document in place that sets out the requirements in relation to the treatment of cash income.
3. To ensure that there are robust debt management policies in place that clearly sets out the debt collection and write off procedures for all monies owed to the Council.
4. To approve the format of official receipts (receipt books, tickets and similar items) and procedures for the control and supply of these to services.
5. To use debt recovery procedures to collect any income due to the Council which has not been paid within specified time limits.
6. To approve service area write off policy documents and the arrangements for the writing off of irrecoverable debts by Chief Officers and Heads of Service.
7. To ensure that appropriate accounting adjustments are made following any write off action.
8. To issue guidance relating to the retention and storage of income documents.
9. **To agree appropriate arrangements for the prevention, detection and reporting of potential Money Laundering offences**

Chief Officers and Heads of Services

10. To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies.
11. To ensure a division of duties between identifying amounts due for payment and the responsibility for the collection of income, as far as is practicable.
12. To adhere to the requirements of the debt management policy for their service area.
13. To ensure that appropriate recovery action (including legal action) is taken. Where it has been agreed with the Deputy Chief Executive and City Treasurer that the Chief Officers and Heads of Service are responsible for the collection and recovery of certain types of income, the Chief Officers and Heads of Service will be responsible for ensuring that appropriate recovery action (including legal action) is taken as necessary in accordance with legislation.
14. To adhere to the requirements of the cash handling and banking procedures.

FINANCIAL SYSTEMS AND PROCEDURES

15. To agree the form of official receipts with the Deputy Chief Executive and City Treasurer.
16. To issue official receipts and maintain other relevant documentation for the collection of income.
17. To hold securely receipts, tickets and other records of income for the appropriate period in accordance with guidance issued by the Deputy Chief Executive and City Treasurer.
18. To ensure that at least two officers are present when post is opened so that money received by post is properly identified and recorded.
19. To ensure that at least two officers are present at the cashing up and completion of bank paying in records.
20. To ensure that income is locked away and safeguarded against loss or theft.
21. To ensure the security of cash handling and that there is a record of every transfer of money between officers of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.
22. To ensure that the levels of cash held on premises does not exceed the approved amount.
23. To ensure that income is paid fully and promptly into the appropriate Council's bank account in the form in which it is received. Appropriate details should be recorded on the paying-in slips or on-line financial systems to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.
24. To ensure that all income received is banked in full and is not used to make other payments.
25. To ensure that when income is due to the Council and the payment is not to be made at the time, an invoice is raised promptly in a form approved by the Deputy Chief Executive and City Treasurer. Where income relates to the provision of goods and services which are not part of a continuous supply, invoices must be raised no later than seven days after the completion of a chargeable transaction.
26. To seek to achieve payment by direct debit or standing orders in situations where regular payments are due to the Council. The Deputy Chief Executive and City Treasurer should approve general arrangements for receiving payment by direct debit or standing orders.
27. To consult the Deputy Chief Executive and City Treasurer about any **new** proposal to arrange to accept payments by credit cards, debit cards, internet or similar means.
28. To comply with the requirements of Payment Card Industry Data Security Standard (PCI DSS).

FINANCIAL SYSTEMS AND PROCEDURES

29. To ensure that invoices raised require payments to be made to the Council and that income is coded to the appropriate cost centre / **capital project**. Where appropriate, VAT must be separately identified on both the invoice and the coded income.
30. To advise the Deputy Chief Executive and City Treasurer of income due to the Council from contracts, leases or any other form of agreement.
31. To agree all debt recovery processes prior to legal action with the Deputy Chief Executive and City Treasurer and to pursue these promptly.
32. To assist the Deputy Chief Executive and City Treasurer in collecting debts they have raised and to keep sufficiently detailed records to allow debts to be recovered through legal action and to reclaim VAT payments when bad debts are written off.
33. To request the writing off of irrecoverable debts in accordance with arrangements approved by the Deputy Chief Executive and City Treasurer (including arrangements determining which **bad debt** provisions or budgets write-offs are to be charged against).
34. To authorise the raising of a credit item, in consultation with the Deputy Chief Executive and City Treasurer, if an error has been made in raising an invoice.
35. To require advance payments for goods, services or materials in cases involving income of less than £50 or more than £5,000, wherever possible and practicable. Advance payments should, ideally, be paid directly into the Council's bank account wherever possible. Where this is not possible, payment by Credit or Debit Card should be encouraged. Cash or cheques is acceptable but, where payment is in the form of a cheque, goods or services should not be supplied until after cleared funds have been received.
36. For Treasury Management purposes to notify the Deputy Chief Executive and City Treasurer of any significant amounts of income due to the Council and the likely timing of such receipts.
37. To notify the Deputy Chief Executive and City Treasurer of outstanding income relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Deputy Chief Executive and City Treasurer.
38. **To notify the Deputy Chief Executive and City Treasurer (as Money Laundering Reporting Officer) or Head of Internal Audit (as Deputy MLRO) of any suspicions of potential money laundering in accordance with the Council's Anti Money Laundering Policy.**

FINANCIAL SYSTEMS AND PROCEDURES

EXPENDITURE

General/Purchase Orders

39. Formal Purchase Orders must be issued for all work, goods or services to be supplied to the Council, unless a specific exemption to this has been agreed with the Deputy Chief Executive and City Treasurer. All orders placed should be on an official order form generated by SAP, or in an alternative format through other media specifically authorised by the Deputy Chief Executive and City Treasurer.
40. Each Purchase Order must conform to any guidelines approved by the Full Council on corporate procurement policies and the standardisation of supplies and materials and wherever possible, corporately agreed contracts must be used.
41. Official purchase orders must not be raised for any personal or private purchases, nor must personal or private use be made of the Council's contracts.
42. Verbal instruction purchase orders can only be given in cases of extreme urgency and must be confirmed by an official order, in writing via SAP or other authorised media, as soon as possible.
43. One of the preferred methods of payment by the Council will be by purchase card. Those vendors who do not accept purchase cards will be paid via the Finance Shared Service Centre by cheque or through the banks' automated clearing system (BACS) or other electronic transfers of funds drawn on the Council's bank accounts by the Deputy Chief Executive and City Treasurer. Any arrangements for making payments by these means must be approved by the Deputy Chief Executive and City Treasurer.
44. Cheque payments must have the electronic signature of the Deputy Chief Executive and City Treasurer and be crossed 'account payee only'.

Deputy Chief Executive and City Treasurer

45. To approve the form of official purchase orders and associated terms and conditions.
46. To issue guidance relating to the retention and storage of transaction and payment documents.
47. To make payments from the Council's funds on the Chief Officers and Heads of Service's authorisation that the expenditure has been duly incurred in accordance with Financial Regulations.
48. To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
49. To make payments to contractors on the receipt of architect's certificate, or appropriate Chief Officer and Heads of Service, which must include details of the value of work, retention money, amounts previously certified and amounts now certified. These payments to be made to contractors using authenticated receipts raised by services.
50. To provide advice and on making payments by the most economical means.

FINANCIAL SYSTEMS AND PROCEDURES

51. To enter into agreements for corporate contracts for the supply of telephone exchanges, telephone equipment, answering machines, photocopiers, facsimile machines, cell phones, pagers etc. on behalf of the Council.
52. To enter into contracts for the supply of computer equipment and software on behalf of the Council.

Chief Officers and Heads of Service

53. To ensure that all purchase orders for goods and services, manual or electronic, are in a form prescribed by the Deputy Chief Executive and City Treasurer and approved by the City Solicitor.
54. To hold retain and store all evidence relating to transactions and payments in accordance with guidance issued by the Deputy Chief Executive and City Treasurer.
55. To ensure that purchase orders are only used for goods and services provided to the Council.
56. To ensure that officers do not use official purchase orders to obtain goods or services for their private use.
57. To ensure that only **Cost Centre Managers / Project Officers** and their substitutes set up in the Council's computerised financial management system (SAP), approve purchase orders. The **Cost Centre Manager / Project Officers** should be satisfied that the goods and services being ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the Council's approach to procurement. Value for money should always be achieved.
58. To ensure that all purchase orders state the nature, quantity, and agreed or estimated costs of the works, goods or services being ordered. The order must also state the address for deliveries.
59. Ensure that, where it is proposed to place an order with a vendor that is not currently registered as an approved Council vendor, the correct procurement procedures are followed and that a formal request to establish the vendor is submitted to the Corporate Procurement Service for consideration prior to placing any order with the vendor.
60. To ensure that receipt of works, goods and services are verified by placing a "goods receipt confirmation" in the Council's computerised financial management system (SAP - unless the Deputy Chief Executive and City Treasurer has specifically allowed an exception to this process). A different officer from the person who authorised the purchase order should carry out the confirmation that goods etc. have been received. Appropriate entries should then be made in inventories or stores records.
61. To ensure that, where appropriate, invoices are promptly and properly authorised for payment via the Council's computerised financial management system (SAP - or by the operation of other, authorised arrangements). Unless specifically agreed otherwise by the Deputy Chief Executive and City Treasurer, all invoices should be sent by suppliers/vendors direct to the Council's Finance Shared Service Centre (FSSC).

FINANCIAL SYSTEMS AND PROCEDURES

62. To ensure that all invoices submitted by vendors to the Council for payment contain a valid Purchase Order number. All Purchase Orders must be created before the Council enters into a commitment to pay for any works, goods or services. All works, goods or services supplied to the Council must be formally confirmed as having been received by placing a goods received notification in the Council's computerised financial management system.
63. Payments should not normally be made if the Council has not received goods or services. However, if, in exceptional circumstances, it is deemed necessary to make a payment in advance of goods and services being supplied, agreement of the Deputy Chief Executive and City Treasurer must be obtained before the payment is made.
64. To ensure that the goods requisitioning process is carried out by a different officer to the Cost Centre Manager / **Project Officers** who authorises the issue of a purchase order.
65. To ensure that the service maintains, and reviews periodically, a list of Cost Centre Managers / **Project Officers** and substitutes with appropriate authority within the Council's computerised financial management system.
66. It is acceptable for suppliers to submit invoices to the Finance Shared Service Centre direct in electronic forms via Email. In exceptional circumstances it will be acceptable for Directorate staff to submit invoices in a similar way but any invoices submitted in this manner must be certified and clearly endorsed with a statement that it is a copy and that payment has not already been made.
67. To encourage suppliers of goods and services to receive payment by the most economical means for the Council. However, payments made by direct debit must have the prior approval of the Deputy Chief Executive and City Treasurer.
68. To ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the best practice guidelines issued by the Deputy Chief Executive and City Treasurer, which are in line with best value principles and contained in the Council's **Contract Procurement Rules**.
69. To comply with the **Contract Procurement Rules** for putting purchases, where appropriate, out to competitive quotation or tender. These procedures must comply with the Council's separate contract procedure rules covering:
 - General issues;
 - Budget identification, specifications and evaluation;
 - Exceptions to the competitive process;
 - Chief Officers' and Heads of Service authority and delegation;
 - Thresholds for the relevant competitive processes, including EU thresholds;
 - Submission, receipt and opening of competitive bids, including late bids;
 - Evaluation;
 - Post tender negotiation;

FINANCIAL SYSTEMS AND PROCEDURES

- Acceptance of tenders, bids or quotations;
 - Contract records, signing and sealing;
 - Issues relating to contracts in operation;
 - Miscellaneous.
70. With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Deputy Chief Executive and City Treasurer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
71. Not to enter into agreements for the supply of telephone exchanges, telephone equipment, answering machines, photocopiers, facsimile machines, cell phones, pagers etc. The Deputy Chief Executive and City Treasurer is the only officer authorised to do this.
72. Not to enter into agreements for the supply of computer equipment and software. The Deputy Chief Executive and City Treasurer is the only officer authorised to this. Orders for such equipment should be placed in accordance with corporate procedures following approval by the Information Technology Unit.
73. To ensure that purchase orders are used so that commitments incurred by placing purchase orders are shown against the appropriate budget allocation and taken into account in budget monitoring reports.
74. To notify the Deputy Chief Executive and City Treasurer of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Deputy Chief Executive and City Treasurer.
75. To ensure that loans, guarantees, leasing or rental arrangements are not entered into without prior agreement from the Deputy Chief Executive and City Treasurer (in respect of leasing the Deputy Chief Executive and City Treasurer and the Executive Member for Finance and Human Resources). This is because of the potential impact on the Council's borrowing limits, to protect the Council against entering into unapproved credit arrangements and to ensure that value for money is being obtained.
76. To notify the Deputy Chief Executive and City Treasurer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
77. To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with guidance issued by the Deputy Chief Executive and City Treasurer.
78. **To notify the Deputy Chief Executive and City Treasurer or Head of Internal Audit of any suspicions of fraud, bribery or corruption in the award of contracts or payments to suppliers in accordance with the Council's Anti-Fraud Policy and Anti Bribery and Criminal Facilitation of Tax Evasion Policy.**

IMPREST ACCOUNTS

Deputy Chief Executive and City Treasurer

79. Imprest Accounts can be established in exceptional circumstances following approval from the Deputy Chief Executive and City Treasurer.

Chief Officers and Heads of Service

80. Responsible for ensuring the imprest account is regularly reconciled.

TREASURY MANAGEMENT

81. The Council has adopted CIPFA's *Code of Practice for Treasury Management in Local Authorities*

Full Council

82. Responsible for approving the Treasury Management Policy Statement setting out the matters detailed in CIPFA's *Code of Practice for Treasury Management in Local Authorities*.

Executive

83. Responsible for proposing to Full Council the Treasury Management Policy Statement.

Deputy Chief Executive and City Treasurer

84. Responsible for reporting to the Executive a proposed Treasury Management Strategy for the coming financial year at or before the start of each financial year.
85. Delegated responsibility for implementing and monitoring the Treasury Management Policy Statement.
86. To control all of the money in the hands of the Council as required by section 151 of the Local Government Act 1972.
87. To ensure that all investments and borrowings of money are made in the name of the Council or in the name of nominees approved by the Full Council.
88. Delegated responsibility to make all decisions on borrowing, investment or financing on behalf of the Executive, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities and the Council's Treasury Management policy statement and strategy.
89. To ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate Chief Officers and Heads of Service.
90. To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.

FINANCIAL SYSTEMS AND PROCEDURES

91. The Deputy Chief Executive and City Treasurer is responsible for reporting to the Audit Committee twice each financial year on the activities of the treasury management operation and on the Executive's exercise of their delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.
92. To monitor the performance of the Treasury Management function including receiving and reviewing the Treasury Management Annual Report and monitoring reports and other reports and to review and scrutinise Treasury Management Performance.

Chief Officers and Heads of Service

93. To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Executive (or if contrary to the Budget and Policy Framework the approval of Full Council).
94. To notify the Deputy Chief Executive and City Treasurer's Treasury Management section when income due over £100,000 or non-routine payments (i.e. those not made through the Shared Service Centre including for example CHAPs payments) of over £100,000 are due so that effective cash flow management arrangements can be put in place.

BANKING

Deputy Chief Executive and City Treasurer

95. Responsible for the opening, operating and closing of bank accounts in the name of the Council.
96. To ensure that there are satisfactory arrangements in place for the ordering, storage and control all cheques drawn on the Council's main bank accounts.

Chief Officers and Heads of Service

97. Those who have control of their own bank accounts must work to arrangements approved by the Deputy Chief Executive and City Treasurer, and must ensure that accounts do not become overdrawn.

TRUST FUNDS AND FUNDS HELD FOR THIRD PARTIES

Chief Officers and Heads of Service

98. To arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust, with the Deputy Chief Executive and City Treasurer, unless the deed otherwise provides.
99. To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

FINANCIAL SYSTEMS AND PROCEDURES

100. Where unofficial funds are held on behalf of third parties, to arrange for their secure administration, including an annual audit, and to maintain written records of all transactions in accordance with guidance issued by the Deputy Chief Executive and City Treasurer.

CHAPTER 4 - ASSETS

GENERAL

Deputy Chief Executive and City Treasurer

1. To ensure that an asset register is maintained in accordance with good practice for all property, plant and equipment with a value in excess of £10,000.
2. To receive the information required for accounting, costing and financial records from Chief Officers and Heads of Service.
3. To calculate depreciation and other capital charges for all properties and maintain the asset accounts.
4. To ensure that property, plant and equipment and investment property is valued in accordance with the relevant Codes of Practice on Local Authority Accounting in the United Kingdom. This is the responsibility of the **Strategic Director (Growth and Development)**.

City Solicitor

5. For the safe custody of title deeds.

Strategic Director (Growth and Development)

6. To keep a register of all land and buildings owned by the Council, other than properties managed by Strategic Housing **and Residential Growth** and made available for letting. The register will hold information about: the purpose for which the land/building is held; description; location and ordnance survey map reference; purchase details; the nature of the Council's interest; rents and any other charges payable; restrictive covenants; and any tenancies or other interests granted.
7. Maintain a valuation of all of the land and property assets of the Council. A five-year rolling programme of assets to be valued must be maintained, having been agreed with the Deputy Chief Executive and City Treasurer and a minimum of 20% of assets must be re-valued each year. Information must also be provided on assets that have substantially increased or declined in value between the rolling programme of valuations. Information on asset valuations, purchases and sales must be provided to the Deputy Chief Executive and City Treasurer for inclusion in the asset register in accordance with the timetable set by the Deputy Chief Executive and City Treasurer. These valuations must include the estimated lives of assets.
8. To keep a record of properties managed by the Strategic Housing **and Residential Growth** and made available for letting - including details of valuations and stock condition etc. as required, and in accordance with Government guidance.

Chief Officers and Heads of Service

9. To ensure that records and assets are properly maintained and securely held.

FINANCIAL SYSTEMS AND PROCEDURES

10. To ensure the proper security and safe custody of all buildings and vehicles, equipment, furniture, stock, stores and other property belonging to the Council and under their control.
11. To ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
12. To ensure that all leased assets are identified, appropriately marked, maintained and a register kept to include location to ensure that they are available for return to lessors at the end of the lease period in accordance with the terms of the lease.
13. To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession of, or enter, the land until a lease or agreement, in a form approved by the Chief Officers and Heads of Service, in consultation with the **Strategic Director (Growth and Development)** and City Solicitor, has been established as appropriate.
14. To ensure that no Council asset is subject to personal use by an employee without proper authorisation.
15. To ensure that the service maintains a register of moveable assets in accordance with arrangements defined by the Deputy Chief Executive and City Treasurer.
16. To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
17. To consult the Deputy Chief Executive and City Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
18. To ensure that a schedule is kept of the officers in their services who hold keys to safes and similar receptacles, and that keys are carried on the person of those responsible at all times; loss of any such keys must be reported to the Head of Audit and Risk Management as soon as possible.
19. To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.
20. To ensure that the Council's policies on information and internet security are complied with.
21. To ensure that the Council's policies and guidelines on security and crime prevention are followed.

INVENTORIES

22. To maintain adequate records of items of furniture, equipment, vehicle and plant, above £200 in value.

FINANCIAL SYSTEMS AND PROCEDURES

23. To carry out an annual check of all items on the inventory in order to verify location, review condition and to take appropriate action in relation to any surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as cameras and **IT equipment** should be identified with security markings as belonging to the Council.
24. If an item is lost, stolen or disposed of, this must be recorded against the entry in the inventory. **Items lost or stolen must be promptly reported to the Insurance and Claims Service.**
25. The Council's property should only be moved from Council premises for official purposes with the permission of an authorised officer and a record should be kept of all authorised removals.

Stocks and stores

26. To make arrangements for the care and custody of stocks and stores in their service.
27. To ensure that adequate records are kept and that reasonable levels are maintained which are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

Cash

28. To ensure cash holdings on premises are kept to a minimum.
29. To ensure that cash holdings do not exceed the maximum amount set by the Deputy Chief Executive and City Treasurer.
30. To ensure that cash handling is carried out in accordance with guidance issued by the Deputy Chief Executive and City Treasurer.
31. To ensure that cash held in any safe does not exceed the amount of the insurance limit for that safe.
32. To notify the Head of Internal Audit of cash lost or stolen immediately. Stolen cash, which is not covered by insurance, can only be written-off with the agreement of the Deputy Chief Executive and City Treasurer.
33. To ensure that under no circumstances are personal cheques cashed out of monies held on behalf of the Council.

Lost Property

34. Any property left on Council premises and regarded as lost must be disposed of in accordance with procedures agreed with the Deputy Chief Executive and City Treasurer and after consultation with the City Solicitor.

ASSET DISPOSAL AND WRITE OFF PROCEDURES

Executive

35. Responsible for approving procedures for writing-off debts as part of the overall control framework of accountability and control.

Deputy Chief Executive and City Treasurer

36. To issue guidelines representing best practice for the disposal of assets.
37. To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

Chief Officers and Heads of Services

38. To authorise the disposal and write-off of redundant furniture, fittings, equipment, plant and machinery, and stocks, in accordance with guidance issued by the Deputy Chief Executive and City Treasurer.
39. Before disposal to check if the asset is subject to leasing arrangements. If the asset is leased, disposal must be in accordance with the terms of the lease.
40. To ensure that any surplus plant, vehicles, furniture or equipment is sold by public tender or auction unless the financial interest of the Council is better served by disposal in some other way.
41. Not to sell assets to an officer of the Council without the approval of the Deputy Chief Executive and City Treasurer.
42. To ensure that income received for the disposal of an asset is properly banked and coded.