



# **FINANCIAL PROCEDURE RULES**

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# Financial Procedure Rules

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## 1. INTRODUCTION

### 1.1 The Need for Procedural Rules

Financial Procedures Rules explain the procedures which officers must all follow to ensure high standards of financial management. They tell us the things we cannot do, but also tell us the things we can do whilst keeping within the rules.

Whilst the Chief Officers are accountable for the deployment of the resources for which they have been given responsibility, they will delegate functions of a financial nature to individual officers, e.g. budgetary control, ordering of goods and services, payment of accounts and the certification of time sheets.

If officers undertake an activity which affects the Council's finances they should ensure that they understand the requirements of this document so that they can comply with the approved arrangements.

### 1.2 Executive Board Responsibility

The Executive Board has overall responsibility for regulating and controlling the Council's finances but responsibility also rests with Chief Officers, Heads of Service and Executive Board Members.

### 1.3 Role of the Director of Resources

The Director of Resources is the person who has the statutory responsibility for the "proper administration of the financial affairs of the Council" (Local Government Finance Act 1972, section 151).

The specific duties of the Director of Resources include:

- Prescribing the accounting systems.
- Prescribing the form of accounts.
- Prescribing the form of financial records.
- Ensuring the accounting systems determined by him are observed.
- Ensuring the accounts and supporting records are kept up to date.
- On behalf of the Authority, maintaining an adequate and effective internal audit in accordance with the Accounts and Audit Regulations 1996.

The Director of Resources also has the duty to report to Members and the District Auditor on unlawful expenditure and over-commitment of resources (Local Government Finance Act 1988).

The Audit Committee shall be empowered to approve amendments to the Financial Procedure Rules.

#### **1.4 Resources Department Structure**

The Director of Resources prefers to put the emphasis on assisting departments to achieve the delivery of cost effective quality services rather than on the enforcement of his legal powers.

In order to deliver high quality financial and IT services, the Department is organised into four Divisions, each under the control of a Head of Service:

Head of Finance

Head of Audit & Risk Management

Head of I.C.T.

Head of Asset Management

#### **1.5 Emergencies**

In the event of an Emergency (as defined in Section 138 of the Local Government Act 1972), Chief Officers will be empowered to incur expenditure which is essential to meet any urgent needs created by the individual situation subject to such action being subsequently reported to the Executive Board.

#### **1.6 Accounting Instructions**

The Director of Resources is empowered to supplement these Financial Procedure Rules with Accounting Instructions. Accounting Instructions may be issued for general distribution or to a particular Department or establishment. Such instructions fall within the powers of the Director of Resources as set out in Section 1.3 and compliance with Accounting Instructions will be required where specified by the Director of Resources.

#### **1.7 Relationship of Financial Procedure Rules and Other Corporate Documents**

The following corporate documents are to be treated as if they formed part of the Financial Procedure Rules :

- Budget Manual
- Managing Capital – The Corporate Way Forward
- Contract Procedure Rules
- Procurement Code of Practice
- I.T. Regulations Manual
- Grants Compliance Manual
- Capital Accounting – Asset Register Updating and Reviews

Amendments to the above documents will be approved by Audit Committee.

#### **1.8 Internal Audit Reports on Breaches of Financial Procedure Rules**

Internal Audit will report significant breaches of the Financial Procedure Rules to the Director of Resources / Chief Executive / Executive Board Members / Audit Committee or Council as appropriate.

## **1.9 Acknowledgement of Receipt of Financial Procedure Rules**

Each Department is required to undertake an Annual Exercise to identify the procedures which each employee is required to understand and comply with (see Employee Declarations Guidance Section 28). Those Officers who require an understanding of Financial Procedure Rules or other documents highlighted in 1.7 should list the relevant documents on their annual return which will be signed off by their Line Managers.

## **1.10 Compliance with the Financial Procedure Rules**

Failure to comply may result in disciplinary action against the individual(s) responsible.

## **1.11 Chief Officers and Heads of Service**

Any reference to Chief Officers will include the Chief Executive and Directors who are responsible for the strategic direction of the Authority and for the activities of their individual Departments.

Heads of Service under the Authority's management arrangements are responsible for the proper management of the services assigned to them.

## **1.12 Items not Covered by the Financial Procedure Rules**

From time to time issues will arise which were not foreseen when these Procedure Rules were drawn up. Officers are required to act prudently in such cases and where there is any doubt over the propriety of an action relating to a financial matter, the officer should seek guidance from the Director of Resources prior to committing the authority to the action.

## **1.13 Partnerships with Other Organisations**

Where the Council enters into a formal partnership agreement with another organisation, it must be made clear from the outset which organisation's Financial Procedure Rules will apply to the partnership. Where the Financial Procedure Rules adopted are not those of Carmarthenshire County Council, any variances should be brought to the attention of the Director of Resources who should consider whether the lesser standards are acceptable.

## **2. REVENUE BUDGET**

### **2.1 Introduction**

Officers are required to abide by the provisions of the Budget Manual, which is to be treated as if it formed part of these Financial Procedure Rules .

## **3. CAPITAL BUDGET**

### **3.1 Introduction**

Officers are required to abide by the provisions of the Managing Capital – the Corporate way Forward, which is to be treated as if it formed part of these Financial Procedure Rules.

## **4. INCOME**

### **4.1 Introduction**

The Director of Resources is responsible for ensuring suitable arrangements are in place for the receipt of money.

Chief Officers must ensure that charges for Council services are reviewed at least annually, in consultation with the Director of Resources .

Budget Holders are responsible for ensuring that there are adequate procedures within their areas of responsibility to ensure that the requirements of the Director of Resources are met for the collection and banking of cash income and for the prompt raising of sundry debtor accounts.

### **4.2 Receipts**

A receipt must be given whenever cash is received, unless a specific dispensation has been agreed in writing by the Director of Resources. Such dispensation will normally be given for systems where receipts would be inappropriate, but alternative recording arrangements will be required for control purposes.

Receipts will be in a form approved and controlled by the Director of Resources .

Receipts may be tickets, hand-written receipts, till receipts or other device approved by the Director of Resources .

All points at which cash income is taken by the Council should clearly display a notice informing payers that they should ensure that they obtain a receipt for their payment.

Receipts will not normally be despatched to debtors sending payment through the post unless requested.

Stocks of blank / unused receipts must be stored securely and appropriate records maintained to account for their use. A receipt which has been removed but is not accounted for in the relevant income system may be an indication that money received has not been processed into the County's funds.

In circumstances where money is taken in advance for the sale of tickets (e.g. a show), the tickets should be pre-numbered and adequately controlled and reconciled.

### **4.3 Cheques**

All cheques must be made payable to "Carmarthenshire County Council" or "Cyngor Sir Caerfyrddin"

### **4.4 Cash Tills**

- Where cash tills are operating, all income received should be registered through the till. Keys to cash tills should be held securely.
- Operators should not have access to keys/ facilities which zeroise cumulative readings of the tills.
- Operators should take till readings at prescribed times and record them.
- Periodically (e.g. daily), an officer other than the till operator should zeroise the till readings and reconcile the till records to cash received.

Managers responsible for the supervision of staff who operate cash tills are required to carry out periodic unannounced cash ups of the tills concerned. At least one cash up should be performed on each operator in each financial year. Departments may make their own arrangements for independent staff to carry out the inspections where appropriate. Evidence of cash ups must be maintained.

### **4.5 Manual Registers**

In some circumstances it is effective to use a manual register (e.g. Primary School Meals) to record and control income. Where a manual register is used, the following principles should be followed:

- Only officially approved registers should be used.
- Separate registers should be used for different income collection responsibilities.
- When money is received, the register should be fully updated to show clearly the amount of cash collected and the person from whom it was received.
- At appropriate periods the amount recorded should be totalled and noted on the register.
- Bankings should be recorded and reconciled to the register.

#### **4.6 Vending Machines and Payphones**

Where a Department / establishment has vending machines, payphones or any other apparatus which collects money automatically, the appropriate Budget Holder must ensure that adequate controls operate to secure monies collected. Such instructions should include the following:

- Frequency of emptying cash, which should be related to the amount of cash taken by the machine in relation to the instructions in 4.8, i.e. not more than £100 should be held in the machine.
- Two members of staff should be present to empty and count the cash collected. Where this is not feasible, the specific approval of the Director of Resources for alternative arrangements must be obtained. This approval may be conditional upon adequate compensating controls
- Maintenance of a permanent record which should include the date the cash is collected, the amount collected, the signatures of both of the staff involved, and where appropriate meter readings.
- Procedures for ensuring the prompt and secure banking of all amounts collected.
- Arrangements for the reconciliation or comparison of anticipated income (e.g. calculated using meter readings or through examining stock records) and actual income. Such reconciliation should periodically be checked and certified by a senior member of staff independent of the collecting officer.

#### **4.7 Change Floats**

Where a Department / establishment requires a change float, the Director of Resources will arrange for an advance of cash to the collecting officer. Such a cash float should be adequate to provide for the normal requirements for change but not so large as to be unnecessary or to create a security problem.

When paying in cash takings to the Council's bank account, the amount advanced as the change float should be retained by the collecting officer for future change requirements.

#### **4.8 Cash Holdings**

Cash held at individual establishments should preferably be banked daily but at least weekly in order to minimise risk. Where cash is to be left on Council premises overnight the following action is required:

- Sums in excess of £250 to be locked in a suitable safe on the premises.
- Sums up to £250 may be retained on the premises but they must be adequately secured.

Where any Establishment has a problem complying with the above Procedure Rule, either on a temporary or long-term basis, they are required to contact the Risk Management Unit (Resources Department) to agree suitable arrangements.

#### **4.9 Personal Cashing of Cheques**

Under no circumstances should any Council monies be used to cash personal or third party cheques.

#### **4.10 Personal Borrowing of Monies**

Under no circumstances should any employee borrow money from cash income collected.

#### **4.11 Shortages and Surpluses**

Any shortages or surpluses arising when reconciling the cash collected with receipts, till readings etc. should be clearly noted in the appropriate control record e.g. "Collections and Deposit Book". Shortages and surpluses must be reported exactly as they occur and not used to balance each other out.

Staff will not normally be expected to make good shortages due to error. If errors are frequent or significant in value, disciplinary action may be appropriate regardless of whether the individual has offered to make good the value of the shortages.

#### **4.12 Transfer of Monies Between Officers**

Where monies are transferred between officers for accounting or paying-in, the transfer of money should normally be acknowledged in a permanent written record a copy of which is to be retained by both the individual / establishment handing over the money and the receiving officer. Where this is impractical, the Head of Audit & Risk Management should be advised and alternative procedures agreed.

#### **4.13 Paying-in to the Council's Bank Account**

All money collected must be paid in promptly to the Council's bank account. Subject to the limits for cash held on premises not being exceeded (see section 4.8), a maximum of 5 working days should apply. Money can be paid in via branches of the Council's appointed bankers, via Post Offices (Giro System) or any of the Cashiers Offices located at the following Council offices:

- Spilman Street, Carmarthen
- Ty Elwyn, Llanelli
- Municipal Offices, Llandeilo
- Town Hall, Ammanford

The Director of Resources may in exceptional circumstances authorise the paying in of money via a branch of a Bank other than the Council's appointed Bankers where it can be clearly demonstrated that such an arrangement would be more economical.

In order to minimise the risks to staff and cash, banking of cash should be carried out as safely as possible. Issues for consideration include:

Regular banking reduces the amount of cash being carried at any one time.

Varying the banking arrangements (e.g. time, people involved) can help reduce the risk.

Collection services are available for a charge and may be appropriate.

#### **4.14 Completion of Bank Paying-in Slips**

Bank paying-in slips must be completed showing separate totals for cash and cheques.

Each cheque must be individually listed on the paying-in slip clearly showing the drawer, the account and sufficient information, such as receipt number or description to identify the cheque and the debt to which it relates.

#### **4.15 Credit Income – General**

Sums due to the Authority will be recorded on the sundry debtor system administered by the Director of Resources unless an individual Chief Officer has obtained specific approval from the Director of Resources to record and pursue individual debts via a suitable alternative system

#### **4.16 Credit Income - Small Amounts**

To avoid the uneconomic use of the sundry debtor system, small sums (below £30) should, wherever possible, be collected in advance or at the time of receipt of the service.

Where it is not possible to collect sums below £30 in advance or at the time of provision of the service, the Budget Holder should consult the Director of Resources (Revenues Section) for approval to use the Sundry Debtors system for that category of income.

#### **4.17 Credit Income - Prompt Raising of Accounts**

Budget Holders have the responsibility to ensure that sundry debtor accounts are raised promptly.

Debt raising Departments should raise debts - either on-line or by despatching a Debtors Invoice Request Form - within a maximum of ten working days from the incurring of the debt.

Where for valid reasons this target cannot be complied with, specific approval of alternative arrangements should be obtained from the Director of Resources.

#### **4.18 Write-Off Procedures**

Where the Director of Resources is satisfied that a debt is irrecoverable/ uneconomic to pursue, consideration will need to be given to writing off the amount concerned.

The Council operates the following write-off policy:

Amount Write-Off Procedure (per Debtor)

- Up to £1,500 Director of Resources decision, £1,500 or over Executive Board Member decision

#### **4.19 Cancellation of Debts**

The Director of Resources is authorised to cancel debts only where the debt has been raised in error. Where a Department/ establishment requests the cancellation of a debt raised, the Director of Resources will require approval from an authorised officer and a written explanation of the reasons for the cancellation

#### **4.20 Suspension of Recovery Action**

Where the Department which was responsible for raising a debt wishes to suspend recovery action on the debt, the Director of Resources shall have authority to determine: the level of authorisation and explanation required. All suspended debts must be reviewed at least every 6 months and evidence maintained to substantiate any continued extension of the suspension.

#### **4.21 Debit / Credit Card Income Systems**

See 15.7.

#### **4.22 Direct Debit Income Facilities**

Direct debit income facilities may only be set up by the Director of Resources; who may specify procedural requirements for such a scheme to be implemented.

#### **4.23 Companies Holding Money on Behalf of the Authority**

Where a company is in a position of holding money on behalf of the Authority, e.g. where they have been appointed as agents for the disposal of surplus equipment, adequate checks should be undertaken prior to the arrangement taking place in order to ensure that the company is financially sound.

Officers should contact the Director of Resources for guidance on the appropriate checks.

#### **4.24 Internal Recharges**

The sundry debtors system should not be used for internal recharges. All internal recharges should be made through the Internal Transfer system. VAT should not be charged on any internal transactions.

## **5. PURCHASING**

### **5.1 Introduction**

Officers are required to abide by the provisions of the Authority's Procurement Code of Practice and Contract Procedure Rules.

### **5.2 IT Hardware and Software**

Purchases of I.C.T. equipment must comply with the requirements of the I.T. Regulations Manual.

### **5.3 Exceptions to Procurement Rules**

In certain circumstances it may be the case that compliance with the normal purchasing procedure does not offer the best value for money. For example, there may be no identifiable alternative suppliers, or there may be substantial initial costs involved in a change of supplier. Where the relevant Head of Service and both the Director of Resources and Head of Legal Services approve alternative arrangements, the provisions of the Regulations relating to purchasing may be varied.

### **5.4 Inducements**

Employees must be aware that it may be a criminal offence for them to receive or give any gift, loan, fee, rewards or advantages for doing or not doing anything or showing favour, or disfavour, to any person in their official capacity. If an allegation is made it will be for the employee to demonstrate that any such rewards have not been corruptly obtained.

Employees must not benefit personally from any customer loyalty schemes offered by suppliers. Where such schemes are available they must either not be used or with the Head of Service's approval they should be applied to the Authority's benefit.

Section 28 of this Document deals with the procedures for Employee Declarations.

### **5.5 Staff Sales - Private or Personal Consumption**

The Authority's purchasing arrangements must not be used under any circumstances to obtain goods or services for the personal use of individual employees regardless of whether the employee concerned intends fully reimbursing the Authority all costs incurred.

## **5.6 Leasing - Compliance with Capital Finance Regulations**

Complex rules exist to govern the classification of local authority capital expenditure in relation to leasing arrangements.

In order to ensure that arrangements are treated correctly, all leasing / rental / hire purchase agreements and other arrangements where the use of an asset is acquired without the ownership of it being acquired must be referred to the Director of Resources.

## **6. IMPREST ACCOUNTS**

### **6.1 Introduction**

For minor purchases (up to £75), it is not always practicable or economic to issue Official Orders.

The Director of Resources shall be empowered to establish such imprest accounts as appropriate for the purpose of defraying petty cash and other expenses.

Heads of Service will designate an individual member of staff to be responsible for each imprest account.

An appropriate separation of duties is required, with the officer holding the cash and the carrying out the day to day maintenance and record keeping of the account being separate from the officer responsible for the account who monitors it and authorises claims and expenditure

### **6.2 Claims for Reimbursement**

Claims should be made monthly (or more frequently if appropriate) on a form specifically provided by the Director of Resources for the purpose. Claims must receive final approval from an officer designated as an authorised signatory for creditor payments, normally the responsible officer for the account.

Claims should be supported by receipts, invoices or other relevant vouchers where appropriate.

At the time of each claim the responsible officer for the account must ensure that the expenditure and the balance remaining are correct and fully accounted for. This control should be formally evidenced. In addition the responsible officer should carry out a spot check on the account without warning at not more than six monthly intervals. A record should also be kept of this procedure.

In order to allow the Authority to recover VAT paid, invoices including VAT must provide details of the supplier's VAT registration number.

## **7. ORDERS FOR GOODS, SERVICES AND WORKS**

### **7.1 Introduction**

The Director of Resources shall approve the form of Official Orders to be utilised.

Official Orders must be issued for all goods, services and works to be supplied to the Council unless the Director of Resources has specifically and formally approved alternative arrangements.

Orders from the Consortium for Purchasing and Distribution will be made on CPD Indents.

Official Orders are not required for electricity, gas, water, rates, rents or for items acquired using petty cash imprest systems.

### **7.2 Authorisation of Orders**

All orders must be issued in writing and signed by an Authorised Signatory.

A copy of the order must be retained, showing the authorisation.

The order must be sufficiently detailed to fully identify the exact item being ordered.

### **7.3 Authorised Signatories**

Chief Officers will determine those staff who have authority to certify Official Orders within their respective Departments. These must be notified to the Director of Resources

Details of Authorised Signatories should be made available to all staff within the Department who are responsible for exercising the control of checking that the document is authorised. This is an addition to the requirement to provide the details to the Director of Resources .

### **7.4 Budget Provision**

Orders must be based on the actual price which is to be paid. This must be clear at the time of ordering and be noted on the Official Order.

Prior to placing an order, the officer authorising the order shall be totally satisfied that authority exists for the expenditure and that sufficient funds are available from appropriate budget heads to meet it.

## **7.5 Urgent Orders**

Where as a matter of urgency orders have been placed verbally, a written Official Order shall be issued in confirmation. This must be clearly marked as a confirmation. A copy of the confirmatory Official Order must be retained.

## **7.6 Orders for Property-Related Works**

Actions carried out on buildings can lead to problems (such as leaving the building in a dangerous condition or the release of hazards such as asbestos, and so on) and these have serious implications for the Authority and for the individual responsible for placing the order (who may be held personally liable to civil or criminal action).

In order to minimise the exposure of the Authority and its officers to these risks, all orders for property-related works must be subject to prior consultation with the Property Services section of the Operations Department, who will provide advice on the works and the selection of an appropriate contractor.

*Under no circumstances shall works be undertaken to the fabric of land and buildings without prior consultation regarding the legal and safety issues with the Property Services Section of the Operations Department. This requirement relates to minor works such as drilling holes in walls, painting, digging for the erection of fencing etc., as well as more major exercises such as removing partitions, new building work and so on. Managers must ensure that adequate notice is given to Property Services in order that the assessment can be carried out in time for the work to commence as planned. The required notice will be longer for larger projects.*

See also section 22.6.

*The contact point for Property Services is through the Property Help Desk on 01267 228228 or e-mail [PropertyHelpDesk@Carmarthenshire.gov.uk](mailto:PropertyHelpDesk@Carmarthenshire.gov.uk).*

## **8. PAYMENT OF ACCOUNTS**

### **8.1 Introduction**

The Director of Resources shall establish appropriate systems of control to ensure the proper payment of accounts.

Each Budget Holder is responsible for ensuring that there are adequate procedures within their areas of responsibility to ensure that the requirements of the Director of Resources are met for the payment of accounts.

### **8.2 Passing Invoices for Payment**

Prior to obtaining final approval (Regulation 8.3), appropriate checks must be undertaken and each relevant item on the certification grid should be initialled separately by the person responsible for each check.

Each invoice has been checked against an Official Order (where appropriate).

The goods have been received, the work carried out or the service rendered satisfactorily.

The prices are correct and appropriate discounts have been deducted.

The inventory / stores records have been updated (where appropriate).  
Payment has not been made previously.

The arithmetic has been checked (Departments processing a large volume of computerised invoices may on the specific written approval of the Director of Resources adopt sampling procedures. In this case only those invoices selected as part of the sample will be initialled as having this check carried out. The Director of Resources may limit approval of sampling to specific suppliers and may specify necessary compensating controls).

The officer undertaking the checks for completion of the grid stamp should not also give final approval for the invoice.

### **8.3 Final Approval - Authorised Signatories**

Chief Officers will determine those Staff who have authority to certify invoices for payment within their respective Departments. These officers must be notified to the Director of Resources.

Where input is carried out on-line within the Department, details of Authorised Signatories should be made available to all staff within the Department who are responsible for exercising the control of checking that the document is authorised. This is an addition to the requirement to provide the details to the Director of Resources.

Every invoice must be given final approval by the full signature of an Authorised Signatory.

The only exception to this rule is that where a Department processes large volumes of invoices for some suppliers, a batch relating solely to one supplier needs the signature of the Authorised Signatory only on the batch header. This procedure must be authorised in writing by the Director of Resources in the case of each individual supplier.

Where an Authorised Signatory is responsible for both approving orders for goods/ services and giving final approval to the invoices to pay for these, this circumstance should be reported to the Director of Resources

### **8.4 Timeliness of Processing Creditor Payments**

In order to ensure that the Authority complies with the requirements of the Late Payment of Commercial Debts (Interest) Act 1998, staff who deal with processing creditor payments are required to follow the procedures set out below:

- The date the invoice is received should be recorded.
- Where a dispute has occurred with the supplier regarding the invoice, this should be recorded on the invoice.
- All invoices should be date stamped on the reverse at the point of initial receipt and at each internal point where any part of the processing takes place. After invoices have been batched it is sufficient to date stamp the batch header only.
- Where payment is made via the Resources Department's central Payments Section, invoices must be submitted at least ten working days prior to the expiry of the credit period.
- The actual date of submission should be recorded on the batch header.

Any claims for interest on overdue accounts should be referred to the Payments Section (Resources Department) for investigation.

It should be noted that invoices which have been incorrectly prepared for payment will be returned to the section responsible for the error, who will be deemed to be responsible for the delay.

## **8.5 VAT**

In order for the Council to reclaim VAT on individual payments, the Council is required under VAT Regulations to obtain an account from the Supplier in a prescribed form which must include the supplier's VAT registration number.

## **8.6 Urgent Payments**

Payments will normally be made through scheduled runs. Where, however, due to exceptional circumstances urgent payment is required, a request must be made to the Unit Manager Resources Department for a manually produced cheque. Every effort must be made to ensure that requests for urgent payments are kept to a minimum.

## **8.7 Return of Cheques to Originating Officer**

Where a cheque is to be returned to the originating Department for despatch, this action must be authorised in writing on the form available from the Administration Section, Resources Department, County Hall, Carmarthen.

## **8.8 Copy Invoices**

If an account is alleged not to have been paid, full enquiries, including checking with the Payments Section, must be made prior to passing the copy invoice for payment to ensure that the original invoice has not been paid nor is it awaiting payment in the system.

Where a copy invoice is passed for payment following sufficient checking, the copy invoice shall be clearly marked to indicate that it is a copy.

## **8.9 Statements of Account**

Under no circumstances should statements be approved and passed for payment

## **8.10 Construction Industry Scheme - Tax Deduction**

For certain types of construction work, the Authority has obligations under the Inland Revenue's "Construction Industry Scheme - Tax Deduction" to deduct tax, at the appropriate rate, from the invoiced account unless the sub-contractor holds a valid Tax Exemption Certificate.

### **8.11 Financial Coding**

The Director of Resources will require that all expenditure is properly coded to appropriate budget headings.

Invoices submitted for payment which contain invalid or incorrect codes may be returned to the originating Department for correct completion. In this case it is the originating Department which will be held responsible for any delays caused by this process

### **8.12 Year-End Procedures**

Budget Holders must ensure that appropriate arrangements are in place following the end of the financial year (31<sup>st</sup> March) to identify outstanding accounts which should be charged to the previous financial year and to promptly pass such accounts for payment prior to the formal closure of the accounts, in line with guidance notes from the Director of Resources .

### **8.13 Standing Payments**

The Director of Resources will periodically undertake certification exercises for Departments to confirm the validity of standing payment data held, e.g. periodic payments, direct debits, recurring payments. Departments will co-operate with such exercises by providing prompt responses.

### **8.14 Prepayments**

Payment in advance for goods and services is to be discouraged under normal circumstances. However, where it is necessary for payment to be made in advance, adequate checks should be made to ensure that the supplier is financially sound. The nature and extent of such checks should depend on the amount of the proposed prepayment but any transaction in excess of £1,000 must be approved by the Director of Resources.

### **8.15 Credit Notes**

The Director of Resources will ensure that long-outstanding credit notes held on the payments system are reversed. The credit granted to the Department will also be reversed and the Department will have the responsibility of securing the repayment by other means.

To avoid this situation occurring, Departments should not pass credit notes for processing where there is no ongoing relationship with the supplier. In such cases, alternative methods of recovery should be adopted.

## **8.16 Payments to Individuals for Services**

In cases of payments to individuals for services received, Budget Holders should ensure that it is appropriate for the payment to be made through the Creditors system and that it does not need to be treated as a Payroll item.

### **8.17 1.1.1. On-Line Creditor Processing**

*The Director of Resources has authorised a number of establishments to process invoices on-line. Prescribed procedures have been established which provide guidance and ensure that the interests of the staff and the Authority are safeguarded; these are available from the Office Manager within the Resources Department.*

*It is essential that any passwords created for the system are held securely, not supplied to other staff and changed on a regular basis.*

## 9. SALARIES AND WAGES

### 9.1 Notification of Information

The Head of Organisational Development and Chief Officers and Heads of Service (in accordance with the responsibilities of each party) must ensure that proper arrangements are in place to ensure that the Payroll Section are notified of any change in circumstances which may affect an individual's pay. Such changes would include:

Appointments, retirements, resignations, dismissals, secondments and transfers.

Absences from duty for sickness or other reasons apart from approved annual leave or flexi-leave within normal entitlements.

Changes in remuneration, including normal increments and pay awards relating to national and local agreements.

Changes in hours of work and / or duties or any other factors affecting rates of pay or total pay.

Information necessary to maintain records of service, pension entitlement, Income Tax and National Insurance.

Notifications must be submitted promptly in writing, normally on standard forms and approved by authorised officers.

### 9.2 Authorised Signatories

Chief Officers will determine those staff who have authority within their respective Departments to certify changes as identified in Regulation 9.1 above. These officers must be notified to the Director of Resources .

Timesheets should be approved by an Authorised Signatory. Any exceptions to this must be specifically approved in writing by the Director of Resources , who may require compensating controls to be put in place.

Where input is carried out on-line within the Department, details of Authorised Signatories should be made available to all staff within the Department who are responsible for exercising the control of checking that the document is authorised. This is in addition to the requirement to provide the details to the Director of Resources .

### 9.3 Advances of Pay

The Director of Resources will only authorise payments of salaries or wages outside the provisions of the normal payroll in the following circumstances:

Where an employee will be leaving the service of the Authority before the day on which remuneration would normally be paid.

Where an employee has commenced work, but pay records cannot be processed in time for the pay run, and where delay until the following pay date may cause hardship.

Where a Chief Officer certifies there are exceptional circumstances justifying an advance.

The Director of Resources must ensure that advances of salaries or wages are properly processed and that no duplication of payment will occur and that no payment is in excess of the amount due to the employee at the time of payment.

#### **9.4 Employment Certification Exercises**

The Director of Resources will periodically carry out certification exercises to obtain verification from employing Departments of the accuracy of payroll records.

Chief Officers must ensure that their Departments respond fully and promptly to employment certification exercises carried out by the Director of Resources .

#### **9.5 Absence Records**

Each Chief Officer must ensure that adequate procedures are in place within the Department to identify and record staff absences due to annual leave, flexi-leave, special leave and sick leave.

The procedures adopted by the Authority in respect of management of sickness absence should be followed

#### **9.6 Background Checks on Employees**

Further details are available from Organisational Development and the Authority's Recruitment and Selection Code of Practice.

## **10. PENSIONS**

### **10.1 Introduction**

Carmarthenshire County Council administers the Dyfed Pension Fund under the provisions of the Local Government Pension Scheme (LGPS) for the majority of its employees and employees of other organisations participating in the Fund. This includes the administration of the LGPS in-house Additional Voluntary Contribution arrangements. The Director of Resources also has some administrative responsibilities in respect of deductions made as part of the Teachers' Pension Scheme. By agreement of the Chief Constable and Chief Fire Officer, the Director of Resources administers the Police and Fire Pension Schemes and has responsibility for the accurate payment of benefits for the following categories: Local Government Pension Fire Pensions Gratuities Injury Awards.

### **10.2 Review of Entitlement to Benefit**

The Director of Resources will be responsible for undertaking periodic checks to ensure that persons to whom payments are made are still entitled to benefits.

## **11. TRAVELLING AND SUBSISTENCE EXPENSES**

### **11.1 Introduction**

Staff are eligible to claim travel and subsistence expenses in accordance with their Conditions of Service.

### **11.2 Promptness of Claims**

Claims should be made during the month following the incurring of the expenditure on forms approved for the purpose by the Director of Resources. Where claims are not submitted promptly a separate form will be required for each month. Forms containing more than one month will be returned unpaid. Authorising officers may be asked to confirm how they have satisfied themselves of the reasonableness of late claims. The need for claims to be submitted promptly is crucial at the end of the financial year to ensure that claims are charged to budgets and tax in respect of the correct year.

### **11.3 Value for Money**

All staff are expected to travel in the most economical manner appropriate to the discharge of their duties.

## 11.4 Basis of Claim

The normal starting and finishing place for Official Journeys will be the location where the individual is based.

Where an Officer starts a journey from a location other than his/her base or ends a journey at a location other than his/her base, the mileage claimed should be limited to the "Additional Mileage" incurred as a result of their official duties.

The Additional Mileage Principle recognises the saving to the Officer in not travelling to or from the base and reduces the amount that can be claimed accordingly whilst ensuring that the Officer is fully compensated for any additional mileage undertaken in connection with their official duties.

### All Examples are calculated using Home to Base as a journey of 10 miles

#### Example 1 - Officer Attends an Appointment Travelling from Home then subsequently Travels to Base

Actual Mileage:

Home to Appointment	5 miles
Appointment to Base	10 miles
Total Mileage	15 miles

Basis of Claim: Total Mileage - Home to Base = Additional Mileage

**Additional Mileage to be Claimed** 15 miles - 10 miles = 5 miles

#### Example 2 - Officer Attends an Appointment Travelling from Base then subsequently Travels to Home

Actual Mileage:

Base to Appointment	10 miles
Appointment to Home	5 miles
Total Mileage	15 miles

Basis of Claim: Total Mileage - Base to Home = Additional Mileage

**Additional Mileage to be Claimed** 15 miles - 10 miles = 5 miles

#### Example 3 - Officer Attends an Appointment Travelling from Home and subsequently returns Home

Actual Mileage:

Home to Appointment	20 miles
Appointment to Home	20 miles

Basis of Claim: Total Mileage - Home to Base and Return =  
Additional Mileage

Total Mileage 40 miles

Basis of Claim: Total Mileage - Home to Base and Return =  
Additional Mileage

**Additional Mileage to be Claimed** 40 miles - 20 miles = 20 miles

**All staff are reminded of their obligation to comply with the requirements of the Travel & Subsistence Policy**

For official journeys undertaken outside normal working hours (i.e. weekends or evenings) the actual journey may be claimed e.g. Officer's home to destination and return journey home.

Staff working overtime during evenings and weekends, and who are paid for such duty, are not entitled to claim travelling expenses to or from their place of work.

Where an Officer opts to travel in his/her own vehicle in circumstances where a cheaper suitable mode of transport should have been used, the claim should not exceed that which would have been paid if the alternative transport had been used e.g. it is normally cheaper to travel by train from the Carmarthenshire area to London but where a member of staff prefers to drive in his/her own car he/she may claim the equivalent of the train fare (provided that this is lower than the mileage claim would be). Cases where this applies should be clearly explained on the claim form.

It remains the responsibility of each employee to ensure that they have the appropriate level of insurance cover for undertaking official (business) journeys.

Should there be need for any further clarification as regards the application of the above please contact your departmental HR Officer

**11.5 Certification**

Completed claims must be approved by a signatory approved by the Chief Officer for that purpose. Following approval, claims must not be returned to the claimant but should be despatched promptly to the Payments Section. No officer should certify their own expenses claims.

## **12. GRANT APPLICATIONS AND CLAIMS**

### **12.1 Introduction**

The securing of financial assistance from external bodies is a key area in the Council's Budget Strategy. Comprehensive guidance on all aspects of the administration of EEC Grants is available within the Grants Compliance Manual maintained by the Director of Resources.

### **12.2 Maximising Grant Entitlement**

Chief Officers must ensure that appropriate systems are in place to identify grant opportunities that exist in respect of their areas of responsibility. Chief Officers must ensure that appropriate steps are taken to maximise the Council's potential grant entitlement through the submission of accurately costed applications and the subsequent prompt and accurate claiming of monies due. Applications should only be made for assistance on schemes which are consistent with the Council's objectives. Where a potential grant will only cover part of the expenditure to be incurred, due consideration must be given to how the remainder (Council's contribution) can be financed. In addition, any ongoing revenue consequences of undertaking the scheme must be identified.

### **12.3 Notifying the Director of Resources**

The Director of Resources must be promptly notified of all proposed grant applications and claims.

## **13. TRUST FUNDS**

### **13.1 Introduction**

A number of Trust Funds have been established for the benefit of the Carmarthenshire County Council area which involve officers of the Council acting as trustees. Where officers act as trustees, they must ensure that they fully discharge their legal responsibilities.

### **13.2 Administration of Trust Funds**

All securities should be deposited with the Head of Legal Services. The Director of Resources is responsible for the financial administration of Trust Funds. The establishment of any new Trust Funds should only be carried out in consultation with the Director of Resources. All new Trust Funds should be established in the name of Carmarthenshire County Council.

## **14. OTHER FUNDS**

### **14.1 Introduction**

"Other Funds" for the purpose of these Financial Procedure Rules are any funds which do not belong to the Council but are administered wholly or in part by employees of the Authority by virtue of their employment by the Authority. Where any "Other Fund" is administered by an employee of the Authority, by virtue of his/her office, there is a responsibility on the part of the Authority to protect the interests of the donors and beneficiaries.

### **14.2 Approval of Chief Officer**

Chief Officers must individually approve the establishment of all Other Funds to be maintained by staff within their Departments in the course of their duties. The Director of Resources should be consulted prior to the establishment of any new funds.

### **14.3 Financial Control**

Adequate records must be maintained in order to properly account for all expenditure and income. An Annual Statement of the Accounts should be prepared and audited by an independent person. The Director of Resources shall be entitled to obtain details relating to the administration and financial transactions of all Other Funds.

## **15. BANKING**

### **15.1 Introduction**

The Director of Resources administers the Council's banking arrangements and is responsible for regularly tendering Banking Services.

### **15.2 Opening New Accounts**

The opening of any additional bank accounts for the deposit of official funds must only be undertaken with the specific approval of the Director of Resources.

### **15.3 Special Banking Arrangements**

Any payments from the Authority's bank accounts using Direct Debits, Standing Orders etc. can only be established by the Director of Resources. Similarly any direct income collection methods, such as direct debit income facilities can only be established by the Director of Resources.

### **15.4 Custody of Cheques**

The Director of Resources shall ensure that there are proper arrangements to ensure the secure custody and control of blank cheques and cheques awaiting despatch.

### **15.5 Bank Reconciliation**

The Director of Resources shall ensure that appropriate arrangements are in place to facilitate the periodic reconciliation of the Council's Bank Accounts.

### **15.6 Cheque Signatories**

The Director of Resources shall determine those Officers authorised to sign individual cheques or transactions on the Council's Bank Accounts. These arrangements are subject to approval by the Executive Board. Rules for the manual signing of cheques (manual cheques and computer-generated cheques) will apply in accordance with the bank mandate.

### **15.7 Debit and Credit Card Income**

Any new arrangements for the collection of income via debit or credit cards must only be made with the approval of and in consultation with the Head of Finance. The Director of Resources may specify aspects of the procedures required for such systems in order to ensure that accounting arrangements are satisfactory.

## **16. LEASING**

### **16.1 Introduction**

Budget Holders are required to liaise with the Director of Resources who will provide advice and be responsible for negotiating and finalising any agreements with Leasing Companies. Note that the term "Leasing" in this regulation includes rental, hire (including contract hire) and deferred purchase agreements.

### **16.2 Maintenance of Records**

Each Budget Holder must ensure that appropriate records are maintained in respect of all lease agreements and that all property which is subject to such agreements is identifiable. When assets which are subject to a lease are to be disposed of, Chief Officers are required to ensure that the Head of Finance is advised in order that contractual obligations in the individual leases can be complied with.

### **16.3 Leasing - Compliance with Capital Finance Regulations**

See Regulation 5.6.

## **17. RISK MANAGEMENT AND INSURANCE**

### **17.1 Introduction**

The Director of Resources is responsible for the administration of the Council's Risk Management and Insurance arrangements.

### **17.2 Risk Management**

Chief Officers are required to ensure that an active approach is taken to risk management. Consideration should be given to means by which risks can be minimised. A Risk Management Steering Group exists to consider strategic and operational risk management issues. Each Department has a designated Risk Champion representing it on the Steering Group. Funding may be available for proactive risk management initiatives from this Group. Further advice on Risk Management is available from the Head of Audit & Risk Management or your Departmental Risk Champion.

### **17.3 Variations to Insurance Requirements**

Chief Officers and Heads of Service must ensure that variations to existing insurance requirements are promptly notified to the Head of Audit & Risk Management. Where a new project / initiative may give rise to new insurance requirements, the Risk Management Unit (Resources Department) should be consulted before the Authority is committed to the risk.

### **17.4 Claims Management**

Claims need to be submitted to the Risk Management Unit in letter form, or by completion of a claim form (where a suitable form exists). Claim Forms, Claim Letters or County Court Summonses should be referred immediately to the Risk Management Unit. In order to ensure compliance with legal requirements the Risk Management Unit will be responsible for all correspondence, including acknowledgement of the original letter. Strict deadlines are set at distinct stages of proceedings and failure to meet those deadlines will have a major impact on the cost of defending claims. The Council's Insurers / Claims Handlers will need to know the circumstances surrounding the issue. Copies of all relevant data and correspondence must be collated and forwarded to the Risk Management Unit as soon as possible. At a later stage, Departments may be asked for additional information or clarification on contentious points. Such requests should receive prompt attention.

## **18. TREASURY MANAGEMENT**

### **18.1 Introduction**

The Director of Resources is responsible for the Council's Treasury Management function. Treasury Management deals with Cash Flows, Borrowing and Lending on the Council's Bank Accounts. The administration of Loans and Investments will accord with the principles of the CIPFA Code of Practice relating to Treasury Management in Local Authorities.

### **18.2 Treasury Management Strategy and Policy**

**18.2.1** This Council will create and maintain, as the cornerstones for effective Treasury Management:

- A Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its Treasury Management activities
- Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

**18.2.2** This Council will receive reports on its Treasury Management policies, and activities, including an annual strategy in advance of the year, quarterly activity reports during the year and a year end annual report, in the form prescribed in its TMPs.

**18.2.3** This Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices to the Executive Board, and for the execution and administration of Treasury Management decisions to the Director of Resources, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

**18.2.4** The Council nominates the Policy and Resources Scrutiny Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies.

### **18.3 Reporting**

The Director of Resources shall prepare an Annual Report for the Executive Board summarising the transactions and outlining the Treasury Management Strategy being pursued.



## **19. INTERNAL AUDIT**

### **19.1 Introduction**

The Internal Audit function is provided by the Audit and Risk Management Division of the Resources Department. It is a statutory requirement upon the Authority to maintain an adequate and effective internal audit and for the internal auditors to have access to any information from the Authority which they require to carry out their duties. Whilst Internal Audit has these statutory obligations and powers it is to be seen as a function which is provided as a service to management in order to assist in the proper, economic, efficient and effective use of resources.

The Internal Audit function undertakes systems reviews and other related work including Fraud investigation. The Division may review any area of operations and must be given unlimited access to records, assets, premises or personnel.

### **19.2 Audit Committee**

The Authority has an Audit Committee which meets on at least a quarterly basis. The Committee are provided with regular updates of progress in relation to the approved Audit Plan and are advised of Key Recommendations / Significant Weaknesses resulting from individual Reviews.

### **19.3 Professional Standards**

Internal Audit operates in accordance with an Audit Charter which has been approved by the Authority and a detailed Audit Manual. Internal Audit is committed to operating in accordance with the standards established by CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

### **19.4 Independence**

Internal Audit is independent of the functions which it reviews and acts in an independent and impartial manner at all times. The Head of Audit and Risk Management has unrestricted access to Senior Management and reports directly to the Audit Committee.

### **19.5 Breaches of Financial Procedure Rules**

See section 1.8.

## **20. FRAUD, CORRUPTION AND THEFT**

### **20.1 Introduction**

The Authority has an Anti Fraud and Anti Corruption Strategy, which sets out the Authority's approach to preventing, detecting and dealing with fraud and corruption.

### **20.2 Reporting Procedures Fraud & Corruption**

Any case of suspected fraud or corruption by any officer or member of the Council must be reported immediately to the Head of Audit & Risk Management. Where cases are logged on the Whistle blowing Database, the Monitoring Officer will be responsible for formally referring the case to the Head of Audit & Risk Management. No internal investigation should be attempted by any Department. The Head of Audit & Risk Management will arrange for the necessary investigation to be carried out. Where, as a consequence of the investigation, there appears to be reasonable grounds to indicate that an officer has been guilty of fraud or corruption, the Head of Audit & Risk Management will discuss the matter with the Director of Resources who will be responsible for deciding whether the matter should be formally referred to the Police.

#### **Thefts**

Where cash or items are stolen, such incidents should normally be immediately reported to the Police. If it is suspected that a member of staff may have been involved in the theft, it may be appropriate to liaise with Internal Audit prior to formally referring the case to the Police. This decision must be made by the Divisional Heads of Services depending upon the circumstances. Where the issue is referred directly to the Police, the Head of Audit & Risk Management must be made aware of the referral as soon as is reasonably possible. All thefts of cash or items in excess of £250 in value should be notified to the Head of Audit & Risk Management.

## **21. STOCKS AND STORES**

### **21.1 Introduction**

Heads of Service are responsible for determining items for which formal stores systems should be in place.

### **21.2 Stores Systems**

The level of control placed over individual items will to a large extent depend upon their value and nature. Control systems should be appropriate to the items, the risks faced and the costs of the controls. Where a formal stores system is in operation the following procedures should be in place: Levels ordered are reasonable. Purchases are secured on delivery. The receipt of items is adequately recorded records are updated promptly. Stocks and stores are secured. The issuing or disposal of the materials is adequately controlled and recorded.. returns or write offs, are adequately and promptly recorded. Regular stocktakes (at least annually) are undertaken and involve independent members of staff. Significant or recurring discrepancies. must be reported to Internal Audit.

### **21.3 Valuations**

The Director of Resources shall be entitled to receive on request from each Chief Officer, such information as he requires relating to the levels of stock held and valuations of stock.

## 22. LAND AND BUILDINGS

### 22.1 Introduction

Individual members of staff are required to behave responsibly on and in respect of Council premises so as not to put the health and safety of themselves or others at risk. The Director of Resources is responsible for the maintenance of a Terrier of Land and Buildings and also an Asset Register detailing assets owned or rented by the Council.

### 22.2 Terrier

The Terrier should include as a minimum the following details: Purpose for which the land or buildings are utilised Location (including extent & plan reference) Purchase details or rents payable Details of any tenancies granted.

#### Asset Register

The Director of Resources also maintains the Asset Register, which is a schedule of the fixed and moveable assets held by the Authority. A copy of the register will be circulated annually, Heads of Service should verify the accuracy of data held.

Further guidance on procedures can be found in the document Capital Accounting Asset Register Updating and Reviews.

### 22.3 Title Deeds

The Head of Legal Services shall be responsible for making appropriate arrangements for the safe custody of all Title Deeds.

### 22.4 Disposal of Land and Buildings

Where Land and Buildings are identified as being surplus to requirements, disposal shall be managed by the Head of Asset Management. **Note- – Disposal of Leased items** When assets subject to a lease or deferred payment scheme are to be disposed of, Budget Holders are required to ensure that the Head of Finance is advised in order that contractual obligations in the individual leases can be complied with.

### 22.5 Use of Council Premises

Council premises are to be used only for official Council purposes.

## **22.6 Minimising Risks in Council Premises**

Individual members of staff are required to behave responsibly on and in respect of Council premises so as not to put the health and safety of themselves or others at risk. Employees not authorised or qualified to carry out works to buildings should not take any such work upon themselves without first consulting the Property Services Section of the Operations Department. Employees may find themselves personally liable to civil or criminal proceedings if they carry out works, however minor, which endanger others. For example, drilling holes for new shelving could release asbestos into the office environment. Any significant risks which are identified in relation to Council premises should be referred to an appropriate officer, i.e. Property Services or Risk Management.

## **23. OTHER ASSETS**

### **23.1 Introduction**

All Officers are required to take reasonable measures to ensure that all assets are adequately secured from risk of theft or damage.

### **23.2 Inventories**

Heads of Service are required to ensure that appropriate records are maintained of equipment, furniture, plant and machinery held by individual officers / Sections or within establishments. The aim of such records (inventories) will be to assist in the management of such items and to catalogue items at risk as the records may be used to identify any losses which occur.

#### **Verification of Inventories**

All inventories must be physically verified and updated on at least an annual basis.

### **23.3 Portable High-Value Items**

In the case of items of equipment which are portable and of high-value, and where these are regularly removed from Council offices by members of staff, Heads of Service are required to ensure that there are adequate arrangements to ensure which officer is responsible for such items at any point in time.

### **23.4 Security Marking of Assets**

All valuable and portable items should be security marked. Advice on this issue and appropriate methods of marking can be obtained from the Risk Management Unit, Resources Department.

### **23.5 Disposal of Assets**

Heads of Service are responsible for ensuring that all assets which are surplus to requirements are referred to the Head of Asset Management who will have full authority to determine the disposal action to be taken.

#### **Method of Disposal**

Items will be disposed of in a manner which is most economically beneficial to the Council. Account must be taken of: Restrictions relating to the ownership of the asset. Opportunities for utilising the asset elsewhere within the Council. Appropriate use of tendering procedures. Fairness in allowing the public, employees and other parties to bid. Information security requirements. Safety requirements. The costs of disposal arrangements relative to the expected income

## **24. SECURITY**

### **24.1 Introduction**

Heads of Service are responsible for maintaining proper security, custody and control at all times for buildings, stocks, stores, furniture, equipment, cash, incoming and outgoing mail and other assets appertaining to their Divisions. Heads of Service are also responsible for ensuring that appropriate arrangements are in place for the security of property belonging to clients.

Whilst Heads of Service have the overall responsibility for security, all employees have a role to play in securing the Authority's assets.

### **24.2 Protection of Clients' Private Property**

Heads of Service shall take all necessary steps to prevent or mitigate against loss or damage of all clients' property entrusted to the care of their officers, and shall arrange for an itemised inventory in each case to be prepared in the presence of two officers.

### **24.3 Incoming Mail**

Incoming mail should be delivered to a secure, theft proof environment. Where mail may include payments to the Council or valuable contents, post opening procedures should be formalised and more than one officer should be involved. The receipt of cash, cheques or other valuable items should be recorded.

### **24.4 Outgoing Mail**

Outgoing mail should be adequately protected whilst in the custody of the Council. The level of protection required will be influenced by the nature of the items to be dispatched, i.e. the extent to which valuables or payments are likely to be included.

### **24.5 Receipt of Goods**

Heads of Service shall ensure that appropriate arrangements are in place to ensure that goods are adequately safeguarded from the moment the Authority takes delivery of them.

### **24.6 Access to Buildings**

Heads of Service are required to implement reasonable security measures for Council premises.

## **25. PERSONAL USE OF COUNCIL EQUIPMENT**

### **25.1 Introduction**

Instances in which staff are entitled to make personal use of Council equipment should be strictly limited and should be specifically approved by Heads of Service. Written records should be maintained.

**25.2** In all cases, the full cost of personal use of Council equipment must be fully reimbursed to the Authority. Council mail franking facilities are not to be used for private purposes, even if full reimbursement is offered.

### **25.3 Council Vehicles**

Council vehicles are not to be used for private purposes. Taking pool cars home at night has significant VAT implications, which must be taken into account. See 29.1. The potential income tax implications of taking a pool car home must also be addressed. Advice should be sought from the Director of Resources (Payroll Section) to ensure that taxable liabilities are considered and properly administered.

## **26. RETENTION OF FINANCIAL RECORDS**

### **26.1 Introduction**

Care must be exercised to retain financial records for a number of years beyond the financial years to which the individual documents relate. The records concerned may need to be retained for a number of purposes e.g. statutory requirements, audit.

### **26.2 Retention Periods**

The Head of Audit and Risk Management will be able to advise about individual instances but the following policy will operate unless the written approval of the Director of Resources has been obtained authorising disposal of the records concerned.

#### **Type of Record Retention Period**

- Financial Ledgers Permanent Payroll Documentation - Current Financial Year plus the Previous 7 Financial Years
- Other Financial Documents/Records - Current Financial Year plus the Previous 6 Financial Years.

### **26.3 Disposal of Records**

Records due for disposal must be disposed of in an appropriate manner depending on the content of the documents. All documents relating to personal data must be disposed of in a manner which preserves their confidentiality. Confidential records which are not of a personal nature must also be disposed of securely.

## **27. CONTROLLED CORPORATE FINANCIAL STATIONERY**

### **27.1 Introduction**

For numerous routine financial and administrative processes, there are standardised and controlled corporate documents available. These documents help to ensure that the required controls have been implemented and ensure efficient use of staff time, as the format is pre-defined. This Section relates to items of controlled corporate financial stationery. These are controlled by the Finance Division (Resources Department).

### **27.2 Controlled Stationery**

Those Resources staff who are responsible for the ordering, storage, issue and reconciliation of controlled stationery will ensure that: Controlled stationery is only ordered in a secure manner to prevent unauthorised ordering. Controlled stationery is held securely from the moment of delivery to the Authority to its issue to users. That formal records are kept of receipts and issues, showing which documents have been provided to which users. That regular stocktakes are carried out and formally evidenced. The users of controlled stationery will: Comply with the requirements of those staff issuing the documents to them regarding the recording of the issue. Hold sufficient but not excessive stocks of controlled stationery. Store all unused controlled stationery securely. Comply with instructions from the Director of Resources regarding the use and completion of controlled stationery. Ensure that spoilt items of controlled stationery are retained as evidence that they have not been improperly used.

## **28. EMPLOYEE DECLARATIONS**

### **28.1 Introduction**

All employees are required to comply with the Authority's annual certification procedures in respect of personal interests and other declarations. Details of the procedures are included in the "Employee Declarations" booklet circulated to employees. Heads of Service are responsible for ensuring that appropriate procedures are in place to make employees aware of the requirements of the Employee Declarations Policy. In addition, Heads of Service must ensure that appropriate procedures are in place to allow employees to declare any relevant issues and operate an Annual Declaration Exercise within their Divisions.

## **29. VALUE ADDED TAX**

### **29.1 Introduction**

The Director of Resources shall establish appropriate systems of control for the proper accounting of Value Added Tax inputs and outputs. The Director of Resources will also produce and distribute to all departments, schools etc. a VAT Manual. Officers are required to abide by the provisions of the VAT Manual, which is to be treated as if it formed part of these Financial Procedure Rules.

## **30. INFORMATION TECHNOLOGY**

### **30.1 Introduction**

Officers are required to abide by the provisions of the I.T. Regulations Manual, which is to be treated as if it formed part of these Financial Procedure Rules.