

Financial Regulations

Introduction and Background

1. What are Financial Regulations

- 1.1 The Local Government Act 1972 (Section 151) requires that an employee of the Council is recognised as the Responsible Financial Officer. Gateshead Council has designated the Strategic Director, Corporate Resources as that officer.
- 1.2 The Accounts and Audit Regulations place a duty on the Strategic Director, Corporate Resources to determine the:
 - Appropriate financial records, including the form of accounts and supporting financial records; and
 - Systems of financial control.
- 1.3 The systems of financial control must include measures to:
 - a. ensure that the financial transactions of the Council are recorded as soon as, and accurately as, reasonably practicable;
 - b. enable the prevention and detection of inaccuracies and fraud; and
 - c. ensure that risk is appropriately managed.
- 1.4 The Strategic Director, Corporate Resources has developed the following Financial Regulations as part of the system of financial control. These regulations provide a framework for managing the Council's financial affairs, whilst enabling a culture of accountable autonomy.
- 1.5 Each Financial Regulation is supported by more detailed guidance and procedures which set out how the Financial Regulations will be implemented.
- 1.6 The Strategic Director, Corporate Resources has responsibility for the preparation, review and amendment of these Financial Regulations. They should be read in conjunction with other sections of the Council's Constitution, in particular:
 - Part 3, which sets out delegations to the Cabinet, various Council bodies and managers;
 - The Budget Policy and Framework Rules; and
 - The Contracts Procedure Rules.
- 1.7 The Strategic Director, Corporate Resources has responsibility for the administration of the Council's financial affairs and is chief financial advisor to the Council and Cabinet. Any issues of uncertainty in the interpretation of these Financial Regulations should in the first instance be referred to the specified contact for that Regulation.

- 1.8 The Strategic Director, Corporate Resources is responsible for the production of financial management information and will keep the Council and Cabinet informed of the financial implications of all new policies and changes of policies.
- 1.9 Each Strategic Director must Consult the Strategic Director, Corporate Resources on any matter within their purview which is liable to materially affect the finances of the Council before any provisional or other commitment is incurred or before reporting to the Cabinet on the matter.
- 1.10 The Strategic Director, Corporate Resources, or in their absence their nominated Deputy, may take any action they consider necessary taking in to account their duty under Section 114 of the Local Government Finance Act 1988, which provides that they must make a report if it appears to them that the Council, a person holding any office or employment under the Council, or a joint committee on which the Council is represented:
- 1) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful;
 - 2) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Council; or
 - 3) is about to enter an item of account the entry of which is unlawful.
- 1.11 Section 114 also requires a report where it appears the expenditure of the Council is likely to exceed the resources available to it to meet that expenditure.
- 1.12 Each Service Director is responsible for establishing internal control so that the activities under their control are dealt with efficiently and effectively. Internal control covers financial and other measures which are established to:
- Safeguard the Council's assets;
 - Ensure reliability of records; and
 - Monitor adherence to policies and directives.

2. Who do Financial Regulations apply to?

- 2.1 Financial Regulations apply to everyone involved in financial transactions on behalf of the Council. Not every Regulation will be relevant to all employees, but employees should be aware that failure to comply where relevant could result in disciplinary action.
- 2.2 Financial Regulations also apply to Council employees when they are acting in an official capacity as a Council officer dealing with non-Council monies.
- 2.3 Schools have separate Financial Regulations.

3. Why are they important?

- 3.1 To conduct its business effectively, the Council needs to ensure and demonstrate that sound financial management arrangements are in place and that they are complied with in practice.
- 3.2 In order to continually meet the Council's Duty of Best Value, it is vital that it maintains good, sound financial management which helps to ensure that the Council is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 3.3 Adherence to these Financial Regulations will help control spending, ensure due probity of transactions and allow decisions to be informed by accurate accounting information. They also protect employees, in that by complying with the Regulations they can gain assurance that they have followed correct procedures.
- 3.4 Good financial management requires secure and reliable records and systems to process transactions and information and demonstrate the effective use of public money.
- 3.5 Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory framework of the Council as set out in the Constitution.

4. Key Principles

- 4.1 All employees should have regard to the following principles:
 - Budgets must not be overspent.
 - Only goods, works and services legitimately required by the Council should be purchased.
 - All spend should represent good value for money.
 - All income due must be collected, held securely and banked promptly and intact.
 - Assets should be managed in an efficient and effective manner.
 - A principal of common sense should underpin all transactions performed on behalf of the Council.

5. Who is responsible for ensuring they are applied?

- 5.1 The Financial Regulations often refer to Service Directors as being responsible, and whilst they are ultimately responsible for ensuring that the Financial Regulations are applied and observed by their officers and for reporting to the Strategic Director, Corporate Resources any known or suspected breaches of the Financial Regulations, it is important that all employees involved in financial transactions are aware of their personal responsibility.
- 5.2 The Strategic Director, Corporate Resources is responsible for issuing advice and guidance to underpin the Financial Regulations.

5.3 The Strategic Director, Corporate Resources is responsible for maintaining a continuous review of the Financial Regulations.

6. Waivers of Financial Regulation Rules

6.1 There are expected to be very few instances when it would be appropriate not to comply with the Financial Regulations. Waivers of Financial Regulations can only be requested by Service Directors, approved by the Strategic Director, Corporate Resources, and will only be agreed where it can be shown that a waiver would not result in unnecessary financial risk or loss.

7. General

7.1 For each Financial Regulation, an owner will be nominated who will have overall responsibility for ensuring that it is:

- Modern and proportionate
- Communicated
- Regularly reviewed
- Complied with

7.2 Where appropriate, the owner of the Financial Regulation will provide details of training and development available and how this can be accessed.

7.3 If an employee would like to propose an amendment to a particular Financial Regulation, they should contact the owner. This includes where it is felt that the controls are not proportionate to the risk, or that the Regulation has not been updated to match changes in technology, systems or procedures.

1. Budget Management
2. Capital Expenditure
3. Revenue Budget Preparation, Control and Accounting
4. Internal Audit
5. Income
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7. Treasurer, Accountable Body and other Similar Financial Arrangements
8. Grants and Contributions Given
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10. Purchases and Payments
11. Payroll and Pensions
12. Travelling and Subsistence
13. Land and Property
14. Treasury Management
15. Bequests, Trusts, Client and Amenity Fund Monies
16. Insurance
17. Risk Management
18. Stocks and Stores
19. Control of Assets (excluding Land and Property)
20. Fees and Charges
21. Taxation
22. Fraud and Corruption

2. Capital Expenditure

Objective	To ensure that the preparation, approval and monitoring of the Council's capital expenditure is robustly controlled.
Key Risk(s)	<p>Failure to deliver capital projects to time, cost and quality requirements.</p> <p>Incorrect distinction between capital and revenue expenditure.</p> <p>Unapproved capital spending.</p> <p>Capital expenditure does not reflect Council priorities.</p> <p>Insufficient resources to fund the capital expenditure and / or the revenue implications of the project.</p> <p>Council resources are not prioritised.</p>

1. Budget Management

Objective	To ensure that budget monitoring is both accurate and timely and enables the Council to effectively manage its financial affairs.
Key Risk(s)	<p>Budgets overspend resulting in available reserves falling below the minimum level required to mitigate the Council's financial risks.</p> <p>The Council's financial position is unsustainable in the medium term.</p> <p>Poor financial decisions due to inaccurate financial information.</p>
Key Rule(s)	<p>Service Directors must ensure that all budgets are allocated to a named budget holder.</p> <p>Named officers will be deemed responsible for managing service delivery and containing expenditure within the agreed revenue and capital budgets, with support from Corporate Finance and comply with the roles and responsibility set out in the budget holder manual.</p> <p>All budget monitoring information will be recorded on the Council's financial ledger system (Agresso) in order to feed into corporate financial reporting.</p>
Guidance	<p>Manual of Financial Procedures</p> <p>Budget Holder Manual</p>

	<p>Project outputs / outcomes are not achieved.</p> <p>The Council's financial position is unsustainable in the medium term</p> <p>Poor financial decisions due to inaccurate financial information.</p>
Key Rule(s)	<p>The Capital Programme and Capital Strategy is approved by full Council prior to the start of the financial year.</p> <p>Updates to the Capital Programme are reported to Cabinet and Council quarterly.</p> <p>Service Directors are responsible for capital projects within their Service and must ensure that the Capital procedures are complied with.</p> <p>The Strategic Director, Corporate Resources must provide management information to enable Service Directors to manage their respective capital projects.</p> <p>Service Directors are responsible for ensuring value for money for each capital project and that approved costs are not exceeded.</p> <p>Only costs which meet the statutory definition of capital expenditure for Local Authorities can be charged to capital projects.</p> <p>Service Directors must have approval in place for full project costs prior to committing expenditure other than design fees and surveys.</p> <p>Service Directors should ensure that appropriate professional advice is sought (to include but not restricted to financial, legal, procurement) prior to project approval in accordance with Capital Guidance.</p>
Guidance	<p>Manual of Financial Procedures</p> <p>Capital Strategy</p>

3. Revenue Budget Preparation, Control and Accounting	
Objective	To ensure that the Council's budget setting process and subsequent accounting is accurate, timely and meets all statutory and corporate requirements.
Key Risk(s)	<p>Budget overspend resulting in available reserves falling below the minimum level to mitigate the Council's financial risks.</p> <p>The Council's financial position is unsustainable in the medium term.</p> <p>Poor financial decisions due to inaccurate financial information</p>
Key Rule(s)	<p>Accounting and budgeting procedures and policies must be complied with.</p> <p>All financial transactions, budgets and budget forecasts must be maintained on the Council's financial ledger system (Agresso) unless otherwise agreed by the Strategic Director, Corporate Resources.</p> <p>All financial transactions of the Council must be recorded as soon as, and as accurately as reasonably practicable. Budget holders are responsible for informing Finance of any issues impacting upon the accuracy of financial projections.</p> <p>The General Reserve must be approved and maintained in accordance with the Council's Reserves Policy. All appropriations to and from earmarked reserves must be in accordance with the Council's Reserves Policy.</p> <p>Legal entities and other arrangements for which the Council has financial responsibility must operate in accordance with the Council's Financial Regulations and related policies and procedures unless otherwise agreed by the Strategic Director, Corporate Resources.</p> <p>The approved budget can only be amended in accordance with virement procedures and delegated limits are set out in the Constitution.</p> <p>The Strategic Director, Corporate Resources must be consulted before entering into the following types of arrangement:</p> <ul style="list-style-type: none"> • A lease or similar arrangement. • A loan. • A finance guarantee. • A payment in advance. • Non-monetary (or part) exchange of assets. • Non-standard contract terms.
Guidance	<p>Manual of Financial Procedures</p> <p>Medium Term Financial Strategy</p>

4. Internal Audit	
Objectives	<p>To promote an effective Internal Audit Service on behalf of the Strategic Director, Corporate Resources, in line with legislation and the appropriate audit standards.</p> <p>To provide independent and objective assurance designed to add value and improve the Council's activities.</p> <p>To help the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p>
Key Risk(s)	<p>That the Council may operate in an inefficient and ineffective way and not achieve value for money.</p> <p>That the Council's key controls do not operate as intended and do not protect against fraud, theft, inefficiency and error.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources must ensure that the Council has an effective Internal Audit function.</p> <p>The Chief Internal Auditor must be able to report without fear or favour, in their own name to the Chief Executive, Cabinet and Audit and Standards Committee as well as the Scrutiny Functions.</p> <p>All audit work must be conducted in accordance with the appropriate professional standards.</p> <p>Service Directors must ensure that Internal Audit is allowed to:</p> <ul style="list-style-type: none"> • Enter all Council premises and land at reasonable times. • Access all records, documents, data and correspondence relating to all transactions of the Council, or unofficial funds operated by an employee as part of their duties. • Receive all explanations as are necessary concerning any matter under examination. • Require any employee of the Council to produce cash, stores or any other property under their control belonging to the Council or held as part of the employee's duties.
Guidance	Internal Audit Charter

5. Income	
Objective	To ensure that income due is collected, banked and accounted for in an efficient and secure manner.
Key Risk(s)	<p>Loss of income due to the Council through non-identification, non-collection or theft.</p> <p>Inefficient collection of income.</p> <p>Impact on Council cash flow.</p>
Key Rule(s)	<p>The procedures set out in the Manual of Financial Procedures in relation to income collection and banking must be followed and any changes from the procedures must be in an agreed manner.</p> <p>All income activity will be in accordance with the Council's Anti Money Laundering Policy, Procedures and Reporting Arrangements.</p> <p>All monies received on behalf of the Council must be paid intact into the relevant income account and recorded in the Council's financial ledger system (Agresso) in a timely manner.</p> <p>All monies for the Council must be paid into an authorised bank account.</p> <p>Treasury Management will be informed of any material income in advance of receipt.</p> <p>Service Directors must ensure that sundry debtor invoices are issued in an accurate and timely manner. They should also monitor payment to ensure the Council receives all due income and avoids future financial risk.</p>
Guidance	<p>Manual of Financial Procedures</p> <p>Anti Money Laundering Policy, Procedures and Reporting Arrangements.</p>

6. Banking Arrangements	
Objectives	<p>To ensure that all bank accounts operate in a secure and approved way.</p> <p>For the purposes of this Regulation the term bank account covers all bank accounts, imprest accounts, building society accounts and other holdings with third party financial institutions to which officers of the Council are signatories.</p>
Key Risk(s)	<p>Bank accounts may be created and used for unapproved activities.</p> <p>Insufficient controls are in place for the Council's banking arrangements, increasing the risk of fraudulent or unapproved transactions.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources must approve the opening or closing of any bank account operated on behalf of the Council.</p> <p>Only methods of payment approved by the Strategic Director, Corporate Resources may be used.</p> <p>All bank accounts must be set up and operated in accordance with the bank and imprest account operating procedures guidance notes.</p> <p>Overdraft facilities or other borrowing arrangements must not be agreed without the express permission of the Strategic Director, Corporate Resources.</p>
Guidance	Manual of Financial Procedures

7. Treasurer, Accountable Body and Other Similar Financial Arrangements	
Objective	To ensure that the financial affairs of legal entities and other arrangements for which the Council has responsibility are managed in a secure and effective manner.
Key Risk(s)	<p>Funds are misappropriated or used for unauthorised purposes.</p> <p>Impact on the Council's financial reputation due to inaccurate or misleading financial reporting.</p> <p>Poor financial decisions due to inaccurate financial information.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources must agree to undertake the financial responsibilities for such arrangements, except where the Council has a legal obligation to do so.</p> <p>Service Directors must ensure that an appropriate employee is appointed to manage arrangements covered by this Regulation.</p> <p>All financial reporting must comply with appropriate accounting standards. Budgets must be set, monitored and reported to the Strategic Director, Corporate Resources in line with the guidance and timetable issued.</p> <p>All accounting records and budgets must be maintained on the Council's financial ledger system (Agresso) unless otherwise agreed by the Strategic Director, Corporate Resources.</p> <p>The Strategic Director, Corporate Resources must be consulted on all investment decisions taken.</p> <p>All such arrangements must comply with the Council's Financial Regulations unless otherwise agreed by the Strategic Director, Corporate Resources.</p>
Guidance	Manual of Financial Procedures

8. Grants and Contributions Given	
Objective	To ensure that all grants and contributions made by the Council are appropriate, provide value for money and associated outcomes are achieved.
Key Risk(s)	<p>Grants and contributions given are not in accordance with Council priorities.</p> <p>The awarding of grants and contributions is seen as unfair and open to challenge.</p> <p>Grants and contributions are not spent in line with the agreed terms and conditions and the required outcomes of the funding are not achieved.</p>
Key Rule(s)	<p>Ensure that organisations in receipt of grant aid demonstrate that they are a competent and suitable organisation to receive public monies.</p> <p>Grants and contributions must only be given in accordance with the Council priorities and awarded on a fair and equitable basis.</p> <p>The grant or contribution should represent value for money and not duplicate other funding provided by the Council or other organisations.</p> <p>All grants and contributions must be awarded and monitored with a written agreement stating appropriate terms and conditions. Terms and conditions must include required outcomes; how such outcomes will be measured and the obligations to repay the funding if the terms are not met.</p> <p>Appropriate action must be taken to reclaim funds when breaches of terms and conditions occur and / or outcomes are not achieved.</p>
Guidance	Manual of Financial Procedures

9. Grants and Contributions Receivable	
Objectives	<p>To ensure the Council takes advantage of all opportunities to maximise resources in delivering its strategic priorities by securing external grants and contributions.</p> <p>To ensure the proper management of the obligations arising from a successful award of external funding.</p>
Key Risk(s)	<p>Failure to maximise grant drawdown / non-delivery of conditional outputs / outcomes.</p> <p>Exposure to grant clawback arising from non-compliance with terms and conditions.</p> <p>Future commitments once grant comes to an end placing pressure on existing budgets.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources shall be consulted prior to the submission of applications for funding, including any requirements for match-funding.</p> <p>Service Directors must ensure that grants and contributions in their Service area are properly evidenced, regularly monitored, promptly claimed and that all relevant terms and conditions are met.</p> <p>Service Directors must ensure an exit strategy is in place to address the budget impact once the funding ends.</p> <p>The Strategic Director, Corporate Resources must also be consulted where the Council is the accountable body and where the funder requires an external audit.</p> <p>The Strategic Director, Corporate Resources must be given all evidence needed so that grants can be claimed in a timely and accurate manner. Such evidence must be provided within the appropriate timeframe to allow the Strategic Director, Corporate Resources time to evaluate and, if necessary, question the evidence provided.</p> <p>All relevant and significant grant claims must be signed off by the Strategic Director, Corporate Resources or authorised representative.</p> <p>The Strategic Director, Corporate Resources is responsible for ensuring that all grant monies claimed are received and correctly accounted for.</p>
Guidance	Manual of Financial Procedures

10. Purchases and Payments

Objective	Assets, goods, works and services legitimately required by the Council are appropriately purchased and paid for, and in compliance with the Council's Contract Procedure Rules.
Key Risk(s)	<p>Inappropriate items may be purchased which are not for Council use, or where there is no business need.</p> <p>Rogue spend and / or use of suppliers for goods and services for which an approved contracted supplier is in place.</p> <p>Incorrect amounts or duplicate payments may be paid to suppliers.</p> <p>Penalties for late payment of invoices.</p> <p>Theft, loss or misuse of Purchasing Cards or Petty Cash.</p> <p>Budget overspend.</p> <p>Reputational damage to the Council.</p> <p>Non-compliance with statutory requirements such as GDPR, Health & Safety, Safeguarding.</p>
Key Rule(s)	<p>Purchasing and payment for assets, goods, works and services must only be undertaken by authorised officers and in accordance with the approved purchase and payment procedures as defined by the Strategic Director, Corporate Resources. Any variation to the procedures must be agreed by the Strategic Director, Corporate Resources.</p> <p>Before assets, goods, works or services are ordered the designated budget officer must apply the following tests:</p> <ul style="list-style-type: none">• Has the Service needs and objectives been obtained?• Is it affordable?• Is it Value for Money?• Is there financial provision?• Are there any implications in respect of GDPR, Health & Safety or Safeguarding? <p>Procurement of all goods, works and services by the Council including the procurement of Income Contracts and Concession Contracts must be in line with Contract Procedure Rules.</p> <p>Unless a specified exception applies, an official order must be raised through authorised systems in order to ensure a commitment is generated and a payment is made promptly. Once the goods are received the official order must be updated to reflect this.</p>

	<p>Before authorising a payment, it must be ensured that the goods, works or services have been properly ordered, there is proof of receipt and the invoice is accurate.</p> <p>To ensure prompt payment, invoices must be sent to Exchequer Services within three days of receipt.</p> <p>All payment feeder systems must be authorised by the Strategic Director, Corporate Resources, who will ensure appropriate controls are in place for the generation and authorisation of payment files.</p> <p>All Purchasing Card transactions must be in accordance with laid down procedures, including review and authorisation on a regular basis</p> <p>All use and authorisation of Petty Cash must be in accordance with laid down procedures and limited to minor items of expenditure.</p> <p>All receipts for Purchasing Card and Petty Cash transactions must be retained and if VAT is claimable, a proper VAT receipt obtained.</p>
Guidance	<p>Manual of Financial Procedures</p> <p>Contract Procedure Rules</p>

11. Payroll and Pensions	
Objective	To ensure that payments of salaries and pensions to employees and former employees of the Council are accurate, timely, made to the right people and in accordance with the relevant terms and conditions and are compliant with statutory regulations.
Key Risk(s)	<p>Incorrect or late payments made to recipients.</p> <p>Inaccurate or incomplete records held on the Payroll System.</p> <p>Penalties for inaccurate or late submission of returns or payments to HMRC or pension providers.</p> <p>Budget overspend.</p> <p>Reputational damage to the Council.</p>
Key Rule(s)	<p>In order to ensure correct treatment for tax, National Insurance and pension, all salary payments including councillors and casual workers must be processed through the Council's payroll system.</p> <p>Payment for any individual who does not fall within the scope of IR35, i.e. not an employee, must be paid via the Council's Financial Ledger, Agresso.</p> <p>To arrange and control secure and accurate payments of salaries or other emoluments to existing and former employees, in accordance with Council Procedures within the pre-determined and legislative deadlines.</p> <p>All permanent and temporary changes to employee terms and conditions affecting payroll and pensions must be notified promptly and accurately to the Strategic Director, Corporate Resources, and be in accordance with approved terms and conditions and statutory legislation.</p> <p>To ensure all appropriate payroll and pension documentation are retained and stored for the defined period in accordance with the document retention schedule and legislation.</p> <p>To ensure statutory returns and payments are submitted to HMRC and appropriate pension providers within deadlines.</p>
Guidance	<p>HR Policies</p> <p>Annual Payroll Timetables</p> <p>Procurement Protocols for non-employees</p>

12. Travelling and Subsistence

Objective	To ensure that the reimbursement of allowances and expenses to employees and councillors is in accordance with the appropriate agreements and legislation.
Key Risk(s)	<p>Incorrect or late payments made to recipients.</p> <p>HMRC penalties for inaccurate or unreceipted VAT treatment.</p> <p>Irregular claims submission leading to budget overspend.</p> <p>Fraudulent claims.</p> <p>Reputational damage to the Council.</p>
Key Rule(s)	<p>Expenditure to be incurred and claims completed and authorised in accordance with guidance approved by the Strategic Director, Corporate Resources.</p> <p>Submission by the claimant will be taken to mean that the journeys and expenses were properly and necessarily incurred on Council business.</p> <p>Claims are to be submitted in accordance with the agreed timetable.</p> <p>Receipts must be provided for all expenditure claimed to enable VAT to be recovered from HMRC.</p>
Guidance	Manual of Financial Procedures

13. Land and Property	
Objective	To ensure there are effective controls in place for all property matters including acquisition, disposal, lease, licence or use of property so that the Council's property portfolio is managed in an efficient, effective and secure manner.
Key Risk(s)	<p>The Council incurs additional costs in operating its land and property portfolio due to:</p> <ul style="list-style-type: none"> • The retention of under utilised property • Inefficient use of land and property • The retention of property that is not fit for purpose
Key Rule(s)	<p>The Strategic Director, Corporate Service and Governance is responsible for all acquisitions, disposals, leasing and licensing of all land and / or property. Service Directors must engage with the Strategic Director, Corporate Services and Governance at the start of any initial consideration around;</p> <ul style="list-style-type: none"> • Acquisition or disposal of land and / or property owned by the Council. • Change in the use of any land and / or property owned or occupied by the Council. • Proposal to substantially reconfigure or refurbish Council owned or occupied property. • Change in the occupancy of property owned or occupied by the Council. • Lease or licence of land and / or property. • Use of Council land and / or property for the purpose of generating additional revenue income. • Where a property and / or land is no longer required and is considered surplus for service delivery purposes. • Where a Service is vacating a property (or part), so that the appropriate surplus property handover procedure is followed. <p>In relation to the above, the Strategic Director, Corporate Services and Governance will then advise on the appropriate approval process to be followed taking into account the Council's overall strategic priorities, and with due consideration to the relevant financial approval process.</p> <p>All communication with vendors, purchasers or their agents or professional advisers shall be undertaken by the Strategic Director, Corporate Services and Governance.</p> <p>.</p>
Guidance	<p>Corporate Asset Strategy and Management Plan Solicitors' Regulation Authority Handbook Council of Mortgage Lenders' Handbook RICS Professional Statements RICS Valuation Standards</p>

14. Treasury Management	
Objective	To ensure that all investment and borrowing is valid, accurate, efficient, properly accounted for and in accordance with statutory and corporate requirements.
Key Risk(s)	<p>Inefficient borrowing may have adverse impact on the Council's financial resources.</p> <p>Failure to recover investment monies from counterparties.</p> <p>Illegal borrowing or investment.</p> <p>Fraud / theft.</p> <p>Reputational damage to the Council.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources is responsible for Treasury Management and no other employees, unless named in the officer scheme delegation, must borrow or invest Council funds.</p> <p>Funds are invested in accordance with the Treasury Management Strategy approved each year by Council.</p> <p>The Strategic Director, Corporate Resources will report on Treasury Management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid year review and an annual report in the form set out in the Treasury Management Practices.</p> <p>The Council delegates responsibility for the implementation and monitoring of its Treasury Management Policies and Practices to Cabinet and for the execution and administration of Treasury Management decisions to the Strategic Director, Corporate Resources who will act in accordance with the Council's Strategy Statement and Treasury Management Practices.</p> <p>The Audit and Standards Committee is nominated by the Council to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies.</p>
Guidance	<p>Treasury Management Policy Statement</p> <p>Treasury Management Strategy</p> <p>Investment Strategy</p> <p>Treasury Management Practices</p>

15. Bequests, Trusts, Client and Amenity Fund Monies	
Objective	All bequests, trusts, client and amenity funds are correctly managed and monitored.
Key Risk(s)	Funds may be misappropriated or lost within the Council's overall funds.
Key Rule(s)	<p>Where gifts or bequests are received by the Council, details of the donor should appear on the inventory.</p> <p>All trusts should wherever possible be in the Council's name unless otherwise stated in the trust deeds, or where charities legislation dictates otherwise.</p> <p>Officers acting as trustees by virtue of their official position must deposit all documents of title relating to the trust with Legal and Democratic Services who must maintain a register of all such documents.</p> <p>The financial management of all bequests and trusts must be reported to the Strategic Director, Corporate Resources or their representative. For further details refer to Bequests and Trusts Guidance Note in the Manual of Financial Procedures.</p> <p>Where an employee of the Council is responsible for a fund not relating to the Council, the Service Director concerned shall ensure that the fund is properly administered and that it is independently audited, where appropriate, by person's having knowledge of the fund's purpose.</p> <p>Any proposed unofficial funds shall require the prior approval of the Service Director who must maintain a record of all such funds and ensure that officers are appointed to administer each fund.</p> <p>The Strategic Director, Corporate Resources is to have access to any records relating to such funds and must be informed immediately of any irregularities in connection with them.</p> <p>A private fund can only be set up if the Strategic Director, Corporate Resources is made aware and with the approval of the Service Director. It must be audited every year by two independent individuals or a CCAB/CIMA qualified accountant.</p>
Guidance	Manual of Financial Procedures

16. Insurance	
Objective	To ensure that the insurance risk across the Council is managed efficiently and effectively and limit the authority for arranging insurance cover to the Strategic Director, Corporate Resources.
Key Risk(s)	<p>Failure to secure appropriate insurance arrangements leaving the Council lacking cover in the event of a significant loss.</p> <p>Failure to seek the appropriate insurance advice when taking decisions could impact adversely on the Council's insurance risk.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources is responsible for arranging all insurance.</p> <p>The Strategic Director, Corporate Resources, in consultation with the Chief Executive, is responsible for advising the Cabinet on insurance and will affect all insurance cover and negotiate all claims in consultation with other officers, where necessary.</p> <p>Directors must manage insurance risks within their Service. This includes:</p> <ul style="list-style-type: none"> • Notifying the Strategic Director, Corporate Resources of the nature and extent of any new insurable risk and of any alterations to currently insured risks. • Consulting with the Strategic Director, Corporate Resources at an early stage in projects / decisions that may have insurance implications. This consultation must be undertaken well in advance of the drafting of any legal agreements or any form of commitment made by the Council. • Immediately notifying the Strategic Director, Corporate Resources of any loss, liability or damage. • Supplying information to the Strategic Director, Corporate Resources, Legal Services or the Council's insurers. <p>The Insurance Claims Handling Protocol within the Manual of Financial Procedures must be complied with</p>
Guidance	Manual of Financial Procedures

17. Risk Management	
Objective	To ensure that the Council manages the strategic and operational risks associated with the provision of its services in accordance with good management practice and in compliance with the Local Code of Governance and the Council's Risk Management Policy.
Key Risk(s)	<p>Failure to identify and respond to risks associated with strategic decisions could result in missed opportunities to innovate, reduce costs and improve outcomes and consequently impact on the delivery of the Council's medium to long term objectives and priorities.</p> <p>Failure to identify operational risks and effectively mitigate, leading to service impact from failed internal processes, people, equipment or systems, or from external events.</p> <p>Absence of robust contingency plans for the security of assets and the continuity of service in the event of a disaster, significant event or system failure.</p>
Key Rule(s)	<p>Risks assessments must be carried out for all identified strategic and operational risks, including new and existing contracts / projects and contract changes.</p> <p>Procedures must be in place to update risk assessments either when triggered by a risk occurrence, a system or legislative change, or at appropriate intervals.</p> <p>Risk management should be integrated into the Council's strategic planning framework and all Service Business Plans.</p> <p>The Corporate Risk and Resilience Group will facilitate the preparation of Business Continuity Management Plans. In accordance with the Business Continuity Policy, Service Directors are responsible for the development and maintenance of the business continuity plan covering the activities within their Service's remit. The plans will describe the action to be taken in the event of a business interruption.</p> <p>All Business Continuity Management related activity within the Council is coordinated through the Corporate Risk and Resilience Group under the guidance of the Strategic Director, Corporate Resources.</p> <p>Accountable officers will ensure that appropriate, cost effective actions are taken to manage and control risks.</p>
Guidance	<p>Risk Management and Policy and Procedures</p> <p>Business Continuity Management Policy</p>

18. Stocks and Stores	
Objective	To ensure the Council holds appropriate stock levels in a secure manner.
Key Risk(s)	<p>The Council holds too much stock tying up resources, both financial and space.</p> <p>Stock in hand becomes obsolete or is misappropriated.</p> <p>The Council has insufficient stock to operate efficiently and effectively.</p>
Key Rule(s)	<p>Service Directors must ensure proportionate arrangements are put in place to safeguard stocks and stores under their control, in accordance with the Stocks and Stores Guidance.</p> <p>An officer must be nominated as responsible for the management and security of the stocks and stores.</p> <p>When a stock of goods is maintained there should be an inventory or stock record as appropriate for the value of the stock.</p> <p>Regular stock takes, at least annually, should be carried out. Any variance should be reported and investigated as appropriate.</p> <p>At the end of the financial year the method of stock valuation detailed in the Statement of Accounts – Guide for Services must be complied with.</p> <p>Stores or materials found to be obsolete or in excess of requirements are to be disposed of in accordance with relevant procedures.</p>
Guidance	Manual of Financial Procedures

19. Control of Assets (excluding Land and Property)	
Objective	To ensure that assets are kept securely and disposed of appropriately.
Key Risk(s)	<p>Assets may be misappropriated or used on an inappropriate way.</p> <p>Software and other intellectual property is not used in accordance with licensing agreements.</p>
Key Rule(s)	<p>Proportionate arrangements should be in place to safeguard assets, including those owned by third parties. Service Directors are responsible for ensuring arrangements are in place for maintaining effective security of all assets, including data and information.</p> <p>Assets including equipment and vehicles should only be disposed of in accordance with relevant procedures.</p> <p>All inventories must be maintained in accordance with relevant procedures.</p> <p>When an officer has to look after private property they must make a complete inventory of the property under their custody, and make arrangement for its safekeeping, including instructions on how to dispose of the property if the client dies.</p> <p>Service Directors must ensure that when an employee has to look after money not belonging to the Council, that they keep it separate from Council monies and make arrangements for its recording and safekeeping.</p>
Guidance	Manual of Financial Procedures

20. Fees and Charges

Objective	Fees and charges are set to ensure full costs recovery and are regularly reviewed to ensure they continue to do so.
Key Risk(s)	Unapproved subsidy of services provided to third party. Out of date fees and charges, negatively impacting on Council budgets.
Key Rule(s)	<p>All fees and charges must be reviewed at least once per year as part of the Council's annual budget process.</p> <p>Within the annual review all fees and charges which are locally determined should be increased in line with guidance provided by the Strategic Director, Corporate Resources.</p> <p>Charges should be set at a level to ensure that all relevant costs are fully recovered, unless agreed otherwise.</p> <p>Any proposed changes to locally determined fees and charges, which are not in line with the guidance, or any proposals not to increase charges, will be agreed with the Strategic Director, Corporate Resources and the reasons set out in the Annual Fees and Charges Report.</p> <p>The introduction of a completely new fee or charge, arising due to changes in policy or new policies, must be referred to Cabinet for approval.</p>
Guidance	Manual of Financial Procedures Annual fees and charges guidance

21. Taxation	
Objective	To ensure that taxation is correctly accounted for and any risks are effectively managed.
Key Risk(s)	<p>Incorrect accounting of taxation resulting in penalties from HMRC.</p> <p>Failure to comply with HMRC rulings.</p> <p>Inefficient taxation treatment leading to financial resources not being optimised.</p>
Key Rule(s)	<p>The Strategic Director, Corporate Resources must be consulted on:</p> <ul style="list-style-type: none"> • The nature and extent of any new agreements or alterations to existing arrangements where there may be taxation risks or potential taxation liabilities. • Projects / decisions that may have taxation implications. <p>This consultation must be undertaken well in advance of the drafting of any legal agreements or any form of commitment made by the Council.</p> <p>Taxation guidance, including statutory HMRC rule must be complied with.</p>
Guidance	Manual of Financial Procedures

22. Fraud and Corruption

Objective	To ensure that the Council is committed to and promotes a culture of counter fraud and zero tolerance in relation to fraudulent activity.
Key Risk(s)	That the Council may be subject to fraud resulting in the potential loss of resources and / or reputational damage.
Key Rule(s)	<p>Whenever any matter arises which involves or is thought to involve, theft, fraud or financial irregularity, including breaches of these Financial Regulations, or bribery or corruption which involves the Council's interests, the Strategic Director concerned must immediately, and before proceeding with any further investigation, notify the Strategic Director, Corporate Resources of that matter.</p> <p>The Strategic Director, Corporate Resources will take such steps as they consider necessary by way of investigation and report, or by advising the Strategic Director about any further action to be taken.</p> <p>Each Strategic Director will maintain a Register of all offers of gifts and hospitality in a form to be agreed by the Strategic Director, Corporate Resources and Strategic Director, Corporate Services and Governance, and in accordance with the guidelines set out in the Code of Conduct for Council Officers (Part 5 of this Constitution).</p>
Guidance	<p>Audit Charter Counter Fraud and Corruption Policy Counter Fraud and Corruption Strategy Fraud Response Plan Whistleblowing Policy Statement on the Prevention of Bribery Code of Conduct for Council Officers Anti Money Laundering Policy, Procedures and Reporting Arrangements</p>