

Section 21

Mendip District Council

FINANCIAL REGULATIONS

| ~~Corporate Finance~~

| Updated by full Council on 13 July 2016

FINANCIAL PROCEDURE RULES

1 –INTRODUCTION

- 1.1 To conduct its business efficiently a local authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of Financial Procedure Rules that set out the financial policies of the authority. A modern council should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
- 1.2 The Financial Procedure Rules provide clarity about the financial accountabilities of individuals – Members – the ~~District~~ Cabinet – the Chief Executive – the Deputy Chief Executives – Corporate-Group Managers, the ~~Corporate-Financial-Advisor~~Section 151 Officer, other Managers and all other officers of the Council.
- 1.3 The Council has established other internal regulatory documents: these should all be viewed in the context of the Council's Constitution. The Council's governance structure is laid down in its Constitution, which sets out how the Council operates, how decisions are made and the procedures that are followed.
- 1.4 It is not possible to draft procedure rules to cover every eventuality or circumstance. Consequently, the principles of sound financial management, proper exercise of responsibility and accountability, as set out in this document should be applied in all circumstances.
- 1.5 The following general principles apply:-
- ~~—~~there should be adequate and understood separation of duties so as to maintain adequate control over all financial transactions and operations;
 - ~~—~~there should be a clear hierarchy of control;
 - ~~—~~there should be adequate training and supervision of staff and there should be adequate management and audit trails;
 - ~~—~~there should be adequate management of risks and additional checks where there are high levels of risk;
 - ~~—~~operational financial procedures should be clearly documented, key risks identified, and such documents kept up to date and there should be adequate business continuity plans in place to maintain effective administration of the Council's finances at all times.
- 1.6 Financial Procedure Rules apply to every member and employee of the Council and anyone acting on its behalf.
- 1.7 Cabinet members and ~~Corporate-Group~~ Managers should, where decision-making has been delegated to them, maintain a written record of all decisions. Where decisions have been delegated or devolved to other

responsible officers, references to ~~Corporate Group~~ Managers in the rules should be read as referring to them.

- 1.8 All members and employees have a general responsibility for taking reasonable action to provide for the security of assets, funds and resources under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
- 1.9 The ~~Corporate Financial Advisor~~Section 151 Officer (S151 Officer) is individually responsible for maintaining a continuous review of the Financial Procedure Rules and submitting any additions or changes necessary to the Audit Committee and then full Council for approval. She/he is also individually responsible for reporting, where appropriate, breaches to the Council, to the Cabinet, or the Audit Committee. ~~Corporate Group~~ Managers and their staff are responsible for promptly notifying the ~~Corporate Financial Advisor~~Section 151 Officer of any breaches of these Financial Procedure Rules. The ~~Corporate Financial Advisor~~Section 151 Officer has a named deputy (Deputy ~~Corporate Financial Advisor~~Section 151 Officer) who has delegated responsibility to carry out S151 duties in his/her absence.
- 1.10 The Corporate Management Team (CMT) is responsible for ensuring that all ~~Managers-relevant staff~~ are aware of the existence and content of the authority's Financial Procedure Rules, and other internal regulatory documents and that they are complied with by all employees. ~~Corporate Group~~ Managers ~~and Team Managers~~ shall ~~also~~ ensure that there is an adequate level of understanding of these rules within their teams and that copies are available for reference within their service area or are accessible via other media.

2 FINANCIAL GOVERNANCE

Full Council

- 2.1 The full Council is responsible for approving the policy framework and the budget within which the Cabinet operates. This encompasses any medium and longer term plans for both revenue and capital. The policy framework shall also include approval of each annual revenue and capital budget and setting the Council Tax levy.
- 2.2 It is also responsible for monitoring the budget including compliance with the authority's overall framework of accountability and control. If unallocated revenue balances fall below the level assessed as the minimum requirement in the Medium Term Resource Strategy, only Council shall have the authority to agree the use of those balances.

Cabinet

- 2.3 The Cabinet is responsible for proposing the policy framework and detailed budget to the full Council and for discharging executive functions in accordance with the policy framework and budget agreed by full Council. The detailed budget should include the allocations to the various services and projects, proposed funding, including taxation levels, and approving the use of reserves and balances subject to balances remaining at the level assessed as the minimum requirement in the Medium Term Resource Strategy.
- 2.4 Where executive decisions are delegated to a committee of the Cabinet, or an individual Cabinet member (Portfolio Holder), or a member of staff, that delegation will include the financial accountabilities relating to the administration of the budget and spending decisions.
- 2.5 The relevant budget holder will be the employee with responsibility for the relevant service, policy, or project, unless the Cabinet specifically identifies to whom budget responsibility is delegated e.g. to a Cabinet member.
- 2.6 The Chief Executive, Deputy Chief Executives, ~~Corporate—Group~~ Managers or Cabinet members who have responsibilities for budgets delegated to them will be accountable to the Cabinet or Full Council, as appropriate, for the use of delegated budgets and should report at least quarterly to their accountable body for the use of those budgets and on the latest budget position.
- 2.7 The Cabinet is responsible for ensuring individual Cabinet members with delegated powers consult with all relevant staff before taking decisions within their delegated authority, so that all implications, including financial implications are taken into account in the decision.
- 2.8 The Cabinet will follow general good practice and comply with sound principles of accountability and effective management by delegating

management and operational control normally to the ~~Corporate Group Managers, Team Managers~~ and other suitable officers wherever feasible and practical.

- 2.9 It is the responsibility of the Cabinet or Cabinet member with delegated budget responsibility to consult with the ~~Corporate Financial Advisor~~ Section 151 Officer over the availability of funds before committing the authority to expenditure.

The Statutory Officers

2.10 The Chief Executive is the Council's Head of Paid Service, and is responsible for the corporate and overall strategic management of the authority as a whole. The Chief Executive is supported by Deputies and together they are~~This includes~~ responsibility for establishing a framework for management direction, style, and standards and for monitoring the performance of the authority.

2.11 The ~~Corporate Group~~ Manager for ~~Governance Assets and Public Spaces~~Law and Governance is the Council's Monitoring Officer and is responsible for promoting and maintaining high standards of conduct, including financial conduct.

2.12 The Monitoring Officer in conjunction with the ~~Corporate Financial Advisor~~Section 151 Officer is responsible for advising the Cabinet, Full Council, Audit and Scrutiny Committee about whether a decision is likely to be considered contrary or not wholly in accordance with the budget.

2.13 Actions that may be contrary to the budget include:

- initiating a new policy with additional unfunded budgetary implications;
- committing expenditure in future years above the current year budget level or medium term plan;
- incurring virement without approval or outside any limits set by Council;
- causing total expenditure to increase above that stated in the budget approved by Council.

2.14 The ~~Corporate Financial Advisor~~Section 151 Officer is the Council's Chief Finance Officer or Section 151 Officer, and is responsible for the proper administration of the Council's financial affairs and shall:

- Advise the Council on insurance and financial risk;
- Advise the Council on effective systems of internal control;
- Ensure that there is an effective system of internal financial control;
- Advise the Council on anti-fraud and anti-corruption strategies and measures;
- Review, approve and sign off each year's Statement of Accounts by 30th June prior to external audit and submit to the appropriate

departments of central government any associated grant claims. This includes responsibility for selecting and consistently applying accounting policies, determining accounting procedures and records, and ensuring compliance with relevant Accounting Codes of Practice;

- Ensure that there is an effective internal audit function and assisting managers to provide effective arrangements for financial Scrutiny;
- Secure effective systems of financial administration and to provide appropriate financial information to enable budgets to be monitored;
- Manage the cash and investments of the Council in accordance with the relevant CIPFA Code of Practice and the Council's Treasury Management Strategy Statement and the Treasury Management Practices;
- Ensure that financial management arrangements are in line with the Council's policy objectives, the Council's overall governance arrangements and comply with any internally or externally set financial management standards;
- Advise the Council on the setting of its revenue and capital budgets and the adequacy of its reserves to meet possible future commitments and contingencies. It is the responsibility of the ~~Corporate Financial Advisor~~Section 151 Officer to advise the Cabinet on the setting of budget guidelines, to ensure budget estimates reflect agreed service levels and any guidelines set by the Cabinet, and to liaise with budget holders throughout the budget preparation process;
- Discharging statutory duties under Section 151 of the Local Government Act 1972, Section 114 of the Local Government Finance Act 1988, the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, the Accounts and Audit Regulations 2003, and the Local Government Act 2003;
- Advise the Cabinet and full Council on prudent levels of reserves for the Council and on the robustness of the Revenue and Capital Budgets;
- Advise the Cabinet, the Chief Executive, the Deputy Chief Executives and the Corporate Group Managers ~~and Team Managers~~ on all taxation issues that affect the Council.

Chief Executive, ~~Corporate Managers, Team Managers~~Deputy Chief Executives, Group Managers and Budget Holders

2.15 All budgets agreed by the Council will be delegated for management purposes to a named employee of the Council. Each named employee shall:

- ensure that the financial content of all reports, forms and procedures is approved by the ~~Corporate Financial Advisor~~Section 151 Officer (or a named representative within the Financial Services Team);
- report any irregularities concerning the Council's financial affairs to the ~~Corporate Financial Advisor~~Section 151 Officer or Group Auditor

at the earliest possible opportunity. The provisions of the Council's Whistle Blowing Policy shall also be followed where relevant;

- ensure that there are sufficient funds available in their cash limited budget before commitments are entered into;
- consult with their Management Accountant and the ~~Corporate Financial Advisor~~Section 151 Officer prior to submitting to the Cabinet or any Committee any report that may have financial implications;
- ensure that the Council's Standing Orders, Procurement Rules, and Human Resources Rules and procedural notes are complied with together with all applicable statutes, regulations, and best practice;
- monitor and control expenditure against budget allocations and report to the Cabinet quarterly or as appropriate, in conjunction with the ~~Corporate Financial Advisor~~Section 151 Officer on variances and the action being taken to address them;
- maintain systems of control that facilitate the achievement of the Council's objectives by using resources economically, efficiently, and effectively and by safeguarding the authority's assets and interests;
- review and appraise their operations so as to achieve continuous improvement;
- liaise with the Council's external auditor and any other inspectorate with statutory rights of access.
- Ensure that all compensation payments are authorised in accordance with the limits set in the Constitution (see Scheme of Delegation).

Cabinet Members Exercising Budget Responsibility

2.16 Where a Cabinet Member exercises budget responsibility they shall comply with the provisions of section 2.15 above and all related Financial Procedure Rules.

All Other Employees

2.17 All other employees of the Council have a responsibility to:

- report any irregularities concerning the Council's financial affairs to the ~~Corporate Financial Advisor~~Section 151 Officer or Group Auditor-SWAP at the earliest possible opportunity. The provisions of the Council's Whistle Blowing Policy and the Anti Money Laundering Policy shall also be followed where relevant;
- ensure that the Council's Standing Orders, Financial Procedure Rules, Procurement Procedure Rules and procedural notes are complied with.

CASH LIMITS

General and Budget Monitoring

- 2.18 Delegation of cash limits shall be in accordance with the Scheme of Delegation.
- 2.19 Delegation of cash limits is to the Chief Executive, the Deputy Chief Executives and Corporate Group Managers or Team Managers. ~~The Chief Executive and Each Corporate Group~~ Manager should prepare a full list of delegations at the beginning of each financial year and submit this to the ~~Corporate Financial Advisor~~ Section 151 Officer. Any ~~Corporate Group~~ Manager, ~~or the Chief Executive~~, when delegating budgets shall ensure that the delegation is made to a suitable officer and that she/he has been given the appropriate training necessary. ~~Corporate Group~~ Managers shall not delegate responsibility for employee budgets to other officers.
- 2.20 Accountability for appropriate budgets shall be held at Chief Executive, Deputy Chief Executive and Corporate Group Manager level.
- 2.21 Cash limits can only be varied in accordance with these Financial Procedure Rules. Support service recharges will not be included in cash limits. These costs will be shown as “below the line” and will be managed as cash limits by the relevant support service heads.
- 2.22 Budget monitoring is the responsibility of each ~~Corporate Group~~ Manager ~~or Team Manager~~. Where there is likely to be a significant variation between the budget and actual expenditure the ~~Corporate Financial Advisor~~ Section 151 Officer shall be notified as soon as possible including an action plan to rectify the situation where appropriate.
- 2.23 Budget monitoring reports shall be considered monthly by CLMT and as a minimum, quarterly by the Cabinet.
- 2.24 Centrally recharged support services are the responsibility of the appropriate ~~Corporate Group~~ Manager, who will provide a clear analysis of the services being recharged. No virements can be made between support service recharges and other cash limits.
- 2.25 The Council has a statutory responsibility to produce a Statement of Accounts and all budget holders shall comply with the accounts closedown timetable agreed by the ~~Corporate Financial Advisor~~ Section 151 Officer.

Variations to Structures and Staffing Levels

- 2.26 Within the total cash limit approved by the Council each year, the ~~Corporate Group~~ Managers shall be entitled to vary the numbers and composition of their workforce in order to meet service requirements, provided such variations do not commit the Council to increased expenditure in future years and subject to CMMT approval. ~~Corporate Group~~ Managers proposing restructures shall liaise with both Finance and Human Resources to agree overall cost implications and HR process and procedure. ~~Corporate Group~~ Managers shall ensure they have included

the cost implications of the Council's severance scheme, and that these costs are verified by the ~~Corporate Financial Advisor~~Section 151 Officer. The restructure shall be calculated at the top of the grade, include all potential redundancies and/or early retirements and salary protections, and then be compared to the previous structure. Where there are any actual or potential additional costs associated with restructuring proposals that may commit the Council to increased expenditure in future years, agreement shall first be sought from CMMT and Cabinet outlining the method of financing.

- 2.27 ~~Corporate-Group~~ Managers shall not enter into, or change, a contract of employment, including the grading of a post without prior consultation with ~~the Strategic~~ Human Resources ~~Advisor~~ and Corporate Finance.
- 2.28 ~~Corporate-Group~~ Managers shall adhere to the Council's personnel policies and personnel delegations, including the proper use of appointment procedures, systems for determining remuneration and the method used to make payments to employees.

3 VIREMENT RULES

- 3.1 Full Council is to approve the detailed budgets for each Service as defined in the Medium Term Resource Strategy. There are separate totals of income and expenditure for each service.
- 3.2 Cabinet have delegated authority to approve virements between services within the overall net budget total and have agreed the following flexibilities and freedoms:-
- ~~Team-Group~~ Managers & ~~Managers~~ can authorise any budget virement up to the value of £10,000 within each individual service of their responsibility, except the 'employees' budget, provided that it has been agreed in principal by their service accountant and the ~~Corporate Financial Advisor~~Section 151 Officer is notified in advance.
 - ~~Corporate-Group~~ Managers can authorise any budget virement to or from the 'employees' budget provided that it has been agreed in principal by their service accountant and approval is obtained in advance from CMMT and the ~~Corporate Financial Advisor~~Section 151 Officer.
 - ~~Corporate-Group~~ Managers can increase their budgets in respect of 100% externally funded staff provided that HR has agreed the contract terms and that both CMMT and the ~~Corporate Financial Advisor~~Section 151 Officer are notified in advance. Any additional one off costs associated with that member of staff shall be financed at the outset and provision made for possible redundancy costs.

- 3.3 ~~Corporate Group~~ Managers can approve virements between services within their areas of responsibility up to a maximum of £25,000, provided that it has been agreed in principal by their service accountant and the ~~Corporate Financial Advisor~~Section 151 Officer is notified in advance.
- 3.4 Movements to and from specific reserves and earmarked balances can be actioned by the relevant ~~Corporate Group~~ Manager and Portfolio Holder in conjunction with the ~~Corporate Financial Advisor~~Section 151 Officer and Finance Portfolio Holder provided that the use is for the purpose previously agreed by Members. All such transfers shall be reported to Cabinet for noting.
- 3.5 All budget virements properly approved shall be submitted to the Financial Services Team on the appropriate form and will be actioned in Agresso (the Council's financial ledger) by the Financial Services Team.

Elected Members

- 3.6 Portfolio Holders, in conjunction with the appropriate ~~Corporate Group~~ Manager, can approve virements between services within their areas of responsibility, up to a maximum of £50,000 per virement, provided that all such approvals are agreed in principal by their service accountant, with the ~~Corporate Financial Advisor~~Section 151 Officer and reported to the Cabinet for noting.

4 REVENUE UNDER/OVERSPENDS

- 4.1 ~~Corporate Group~~ Managers ~~and Team Managers~~ shall ensure that budgetary control is maintained.
- 4.2 Where overspending occurs on delegated budgets that cannot be covered by savings or under-spends elsewhere they shall be reported to the Cabinet and earmarked from the revenue contingency or general balances if appropriate. All service overspends over £10,000 shall be fully explained within the budget monitoring process to Cabinet with a recovery action plan where appropriate.

5 CAPITAL GENERAL AND BUDGER MONITORING

- 5.1 A three year Capital Programme is to be prepared and reviewed annually to confirm the Capital Budget for each financial year.
- 5.2 The ~~Corporate Financial Advisor~~Section 151 Officer will be responsible for compiling the Capital Budget and the three year Programme including the associated capital financing, in consultation with CMT ~~CMT and Team managers~~ for consideration by the Cabinet prior to submission to full Council. The programme will include:

- committed schemes that are in the process of completion;
- schemes for replacement/ maintenance of existing assets;
- new starts for the following years;
- receipts from expected sales of assets and;
- external contributions expected.

5.3 Cabinet will set cash limits for the Capital Budget provisionally in December, based on resources available. New starts for the following year shall be submitted to Cabinet for approval in accordance with the annual budget setting timetable. New schemes that are for urgent works, outside of the timetable will be considered by CMMT and reported to Cabinet (with proposed funding) as part of the quarterly budget monitoring process, together with any other programme changes needed to accommodate the funding of those works.

5.4 The Capital Programme will be monitored quarterly by Cabinet,

5.5 The ~~Corporate Financial Advisor~~Section 151 Officer in consultation with Responsible Officers and CMMT will prepare the quarterly monitoring reports to the Cabinet.

5.6 All schemes must follow the process below even when the scheme is fully externally funded.

6 BIDDING FOR CAPITAL RESOURCES

6.1 Schemes, where appropriate shall have completed a feasibility study, before submission to Area Committees or Cabinet. Initially such studies must be funded from revenue and all new schemes requiring Feasibility Funds require approval by GMTCMT and then Cabinet to release the revenue funding.

6.2 If the scheme proceeds to approved capital works directly related to the study, these costs can be capitalised as part of the full costs of the scheme once the works commence.

6.3 There is a de-minimus value of £10,000 for land and buildings, £5,000 for plant and equipment, £1,000 for Capital Grants, and £10,000 for capital receipts.

6.4 During the annual budget setting process, decisions will be made on which new schemes are to be included in the following year's Capital Budget and three year programme. Capital Investment Appraisal forms, through the project management methodology, can be submitted to the ~~Corporate Financial Advisor~~Section 151 Officer at any time during the year but will be considered by CMMT in September each year for onward approval by Cabinet and full Council.

6.5 Proposals shall be clearly linked to the Council's Corporate Priorities and any relevant Service Plans. All appraisals shall first be approved by the CMMT and submitted on the appropriate forms. CMMT shall ensure that all proposals:

- are allocated a unique reference number;
- clearly show the expected outcomes;
- include any revenue implications;
- include the estimated staff resources required to carry out the project;
- include a risk assessment of the project;
- allocate the type of project and therefore the requirements placed upon that project until completion;
- have a source of finance identified. Where the approved expenditure is dependent on a specific capital receipt the scheme cannot start until the income has been received unless Cabinet approval has been obtained;
- include the details of "Whole Life Cost" of the asset.

6.6 "Invest to Save" schemes may be submitted to the ~~Corporate Financial Advisor~~Section 151 Officer at any time during the year. Any "Invest to Save" scheme shall show that the income generated or the costs saved from the scheme at least equals the loss in revenue interest from the capital sum spent. The risks involved and break-even point shall be clearly laid out before being considered by Cabinet. Any loss in revenue before the scheme can generate income shall be clearly outlined and sourced by the Responsible Officer. Any ICT bids for replacement IS systems shall be approved by CLMT and the Cabinet. Comments and recommendations shall be included from the relevant ~~Corporate Group Manager or Team Manager~~—and then cleared by Corporate Finance. The Cabinet can approve both the capital and revenue implications of each capital scheme within the budget set by Full Council.

6.7 The capital investment appraisal form shall disclose any revenue consequences. If these cannot be absorbed by the service a request shall be made to Cabinet for additional resources.

6.8 Each approved scheme will be the responsibility of a named Responsible Officer, who shall monitor the scheme's progress and report accordingly.

7 PURCHASE AND DISPOSAL OF PLANT AND VEHICLES OVER £5,000

7.1 When a ~~Corporate Group Manager/Team Manager~~ judges that a vehicle or item of plant is required they shall outline in writing to the Corporate Finance department their request, detailing:

- The need for the vehicle or plant;
- Whether it replaces redundant vehicles or plant;

- The registration number/description of the redundant item, likely income and a proposal for disposal;
- The value of the purchase;
- funding source
- A business case, if appropriate.

7.2 The ~~Corporate Group~~ Manager/~~Team Manager~~ shall review at six monthly intervals the leases of vehicles and plant held within their service and report any action necessary to the Corporate Finance department.

7.3 Once authorised by Corporate Finance, the request to purchase/dispose shall be passed to the ~~Corporate Financial Advisor~~Section 151 Officer. The ~~Corporate Financial Advisor~~Section 151 Officer shall ensure that there is sufficient budget as outlined and calculate whether a lease or purchase is the best financial option.

7.4 During the annual budget cycle each ~~Corporate Group~~ Manager/~~Team Manager~~ shall list the items currently leased and replacement programme to the ~~Corporate Financial Advisor~~Section 151 Officer to ensure that sufficient funding is available each year.

8 CAPITAL RECEIPTS

8.1 All ~~Corporate Group~~ Managers/~~Team Managers~~ shall inform the ~~Corporate Financial Advisor~~Section 151 Officer of all expected capital receipts as soon as they are identified. Where an asset is to be sold the Strategic Asset Manager shall be consulted and a sale of asset pro forma submitted to Cabinet for approval where the value is more than £10,000.

9 VIREMENT RULES - CAPITAL

9.1 All contributions made from revenue budgets to capital budgets (other than those purely made for accounting adjustments such as accounting for leases) shall be approved by Cabinet.

9.2 The ~~Corporate Financial Advisor~~Section 151 Officer (or nominated representative) will consult with Responsible Officer in order to prepare a quarterly monitoring statement for reporting to Cabinet.

If, during the progress of approved schemes, it appears to the ~~Corporate Financial Advisor~~Section 151 Officer that there is a significant variation then a virement can (subject to Cabinet approval) be made from another scheme within the corporate total. All such proposed virements shall be reported to the Cabinet for approval.

10 MONITORING THE CAPITAL PROGRAMME AND CAPITAL PROJECTS

10.1 Where Responsible Officers require schemes to be re-phased between years they shall notify the ~~Corporate Financial Advisor~~Section 151 Officer at least quarterly so that the overall financing of the Capital Programme can be maintained and investment income maximised.

10.2 Progress on each project and funding projections must be submitted to the ~~Corporate Financial Advisor~~Section 151 Officer quarterly. This must include any slippage in the project timetable and spend with the actions being taken if necessary to bring the project back in line.

10.3 Projects should be managed and monitored using the Council's Project Management Methodology and regular reports made to each Project Sponsor for monitoring purposes.

10.4 Any projects amended between approval and implementation must be resubmitted to the Cabinet for approval. This includes projects that have received further external financing over £10,000 once approved.

11 CAPITAL UNDER/OVERSPENDS

11.1 Underspends against budgets will be carried forward in the following year if the project has commenced before the year-end. Cabinet or the appropriate Committee will decide at the year end whether projects that have a delayed start date of more than one year can continue.

12 POST COMPLETION APPRAISALS

12.1 On completion of a project the Responsible Officer will prepare a report in consultation with the ~~Corporate Financial Advisor~~Section 151 Officer stating how the project has performed against its set objectives. This will be reported as part of the outturn report to Cabinet each year.

FINANCIAL CONTROL

13 GENERAL

13.1 All accounting systems, procedures and records shall be subject to the approval of the ~~Corporate Financial Advisor~~Section 151 Officer. Changes to existing systems and the introduction of new systems shall also be approved by the ~~Corporate Financial Advisor~~Section 151 Officer.

13.2 All accounts and reports shall be prepared in accordance with these Financial Procedure Rules and in conformity with any Government Regulations and CIPFA Codes of Practice and, where appropriate, any other professional guidance held to represent best practice.

- 13.3 The Chief Executive, Deputy Chief Executives and Corporate Group Managers, ~~and Team Managers~~ are responsible for specifying the budget requirements for their cost centre in accordance with the cash limit rules and the timetables established by the ~~Corporate Financial Adviser~~ Section 151 Officer. All responsible officers should seek the advice of the ~~Corporate Financial Adviser~~ Section 151 Officer, or nominated representative, to ensure that budgets are compiled in accordance with the financial policies agreed by the Council.
- 13.4 The Corporate Group Managers are responsible for the proper operation of financial processes within their group of services

14 ANNUAL GOVERNANCE STATEMENT

14.1 Mendip District Council is required to publish an annual Governance Statement at the end of each financial year. The ~~Chief Executive, Corporate Group Managers and Team Managers~~ shall annually sign and evidence that the internal controls within their service area are regularly monitored and reviewed.

15 SOUTH WEST AUDIT PARTNERSHIP

15.1 The general standards for Internal Audit shall be those of the Institute of Internal Auditors (IIA). The South West Audit Partnership Manager shall compile an Annual Audit Plan to be approved by the Audit Committee.

15.2 To assist in the objectivity and independence of the South West Audit Partnership, all audit employees:

- have authority to enter any Council premises or land;
- have authority to access all Council records, documents and correspondence;
- shall receive explanations from employees and members on any matter that they are reviewing or investigating.

15.3 Such authority will not be used unreasonably.

15.4 All thefts and break-ins to Council property shall be reported to the South West Audit Partnership at the earliest possible opportunity.

15.5 Where officers enter into agreements with partners that involve financial contributions from the Council, those agreements shall give the South West Audit Partnership authority to examine the financial accounts of the partner.

16 OPERATIONAL LEASES

16.1 The ~~Corporate Group Managers/Team Managers~~ may enter into an operational lease for equipment provided that the ~~Corporate Financial Adviser~~ Section 151 Officer has confirmed in writing that the method of finance is appropriate for the asset concerned. Procedure 7 Purchase and Disposal of Plant & Vehicles over £5,000 shall be followed where appropriate. The ~~Corporate Group Manager/Team Manager~~ will ensure that charges arising from such arrangements can be met from the delegated cash limit for current and future years.

17 TREASURY MANAGEMENT

17.1 The Council has adopted the CIPFA Code of Practice for Treasury Management in Local Authorities, and prepared a written statement of Treasury Management Practices, which include the main principals that the Council follows and detailed schedules of operational procedures.

17.2 A Treasury Management Strategy Statement setting out the main principles shall be adopted by the Council once reviewed at the beginning and middle of each year by the Audit Committee.

17.3 The Council has set a range of Prudential Indicators as required by the Prudential Code. These shall be reviewed regularly and any revisions shall also be subject to Council approval.

17.4 All executive decisions on borrowing, investment or financing shall be delegated to the ~~Corporate Financial Advisor~~Section 151 Officer, or to nominated finance employees in accordance with Treasury Management practices. All employees are required to act in accordance with the CIPFA Code of Practice for Treasury Management in Local Authorities and the Council's Treasury Management Strategy Statement and comply with the Treasury Management Practices.

17.5 The ~~Corporate Financial Advisor~~Section 151 Officer will provide an annual report on Treasury Management activity in the previous year by no later than 30 June to the Audit Committee and by the 30th September to full Council.

17.6 All investments shall be made in the name of the Council or its approved nominees.

17.7 All financial balances in the possession of the Council shall be controlled by the ~~Corporate Financial Advisor~~Section 151 Officer.

CONTRACT

18 GENERAL

18.1 All employees shall comply with the Procurement Procedure Rules. The rules are available through the Procurement Team.

19 PAYMENT OF INVOICES

19.1 The ~~Corporate Financial Advisor~~Section 151 Officer shall make arrangements for the payments of all monies due from the Council, which shall comply with statutory provisions in force.

- 19.2 Invoices to be paid shall not be made out by employees of the Council, except in any case or category of case agreed by the ~~Corporate Financial Advisor~~Section 151 Officer in advance. Employees shall not add any item to an invoice and only invoices that are in permanent ink or print shall be accepted. Copy invoices shall be clearly marked by the employee who authorises payment with a certification that the invoice has not previously been paid.
- 19.3 Where an order has been raised for goods and services the invoice must be matched with the order.
- 19.4 All suppliers shall be asked to quote on all invoices the name of the group and section, the order number and the place where the work was done or goods delivered.
- 19.5 Any amendments to invoices shall be made in ink and the reason clearly stated. If the invoice bears VAT then amendments are not acceptable and the invoice shall be returned to the supplier or a credit note obtained.
- 19.6 No payment is to be made on the basis of a supplier's statement of account.
- 19.7 The Chief Executive, Deputy Chief Executives and Corporate Group Managers ~~and Team managers~~ (or other delegated employees) shall be responsible for the verification and certification of all payments from their own budgets only. Certification means a manual signature or a computerised authorisation as required by the Council's Agresso Financial Management System. The certification by, or on behalf of the responsible officer shall be regarded as an assurance that:
- value has been received and accounted for in the opinion of the Chief Executive, Deputy Chief Executives and Corporate Group Managers, ~~Team Managers~~;
 - expenditure complies with the Standing Orders and Financial Procedure Rules in force at the time;
 - the document presented to support the payment is correctly priced and the invoice has not been previously passed for payment;
 - all trade and prompt payment discounts have been deducted (where appropriate);
 - VAT has been properly accounted for in accordance with the HM Revenues and Customs regulations applicable at the time.
- 19.8 Expenditure and income is posted to the appropriate nominal codes on Agresso to ensure that the financial system reflects the correct nature of the expenditure/income incurred.
- 19.9 The Chief Executive, Deputy Chief Executives and Corporate Group Managers can authorise any payments within their area of responsibility, and are allowed to delegate payments of up to £150,000 to their supporting officers by the process described in (19.10).

19.10 A list of those employees authorised to certify all types of expenditure (including those authorisers via the Council's Agresso Financial System) shall be prepared and approved by the ~~Corporate Group Managers~~ and copies forwarded to the ~~Corporate Financial Adviser~~ Section 151 Officer together with specimen signatures and initials. The lists shall be kept fully up to date by the ~~Corporate Group Managers and Assistant Directors/Managers~~ and all changes notified as soon as possible.

19.11 As soon as possible after 31 March each year and in accordance with the agreed year end timetable, ~~Corporate Group~~ Managers shall notify the Financial Services Team of all outstanding expenditure relating to the previous financial year.

19.12 The Financial Services team shall publish detailed closedown procedures each year.

20 PROCUREMENT CARDS

20.1 The issue and use of a procurement card shall be in accordance with the Procurement Card Rules. These Rules are available from the Procurement Team.

21 PAYROLL SERVICES

Appointment of Employees

21.1 The appointment of all employees shall be made in accordance with the procedures set out in the Employment Policies and Procedures Manual. The ~~Corporate Group~~ Managers shall complete a replacement post form signed off by the appropriate accountant and ~~Chief Executive~~ CMT to ensure that there is sufficient budget provision and necessity for the post.

Amendments to Payroll

21.2 The ~~Corporate Group/Team~~ Managers shall notify ~~the~~ Human Resources ~~Manager~~ as soon as possible, in the prescribed form, of:

- all appointments, promotions, resignations, retirements, dismissals and suspensions from duty;
- all transfers between services within the control of the ~~Corporate Group/Team~~ Managers;
- all periods of sickness and absence, except normal annual leave;
- all changes in remuneration of employees, except normal increments;
- all payments for compensation and any other emoluments to any employee;

- such other information as may be required by the ~~HR Manager~~Human Resources in connection with the calculation and payment of pay related expenditure.
- 21.3 All leavers should be immediately reported to the ~~ICT Manager~~Group Manager for Corporate Support and the Financial Services Team to enable their access to be cancelled on the financial system and the Council's network.
- 21.4 The ~~Corporate Group/Team~~ Managers are also required to contact the Financial Services Team and ~~Human Resources~~R to identify if there is any outstanding debt owing to the Council. If this is the case, the ~~Corporate Group~~ Manager shall then instruct payroll to deduct any debt from the last salary payment.
- 21.5 The Financial Systems support team will circulate at least once a year an up to date list of Agresso users and access levels to the ~~Corporate Group~~ Managers, who will be required to sign and return this list, noting any amendments.

22 OTHER PAYMENTS

- 22.1 All travelling, subsistence, financial loss, and any other reimbursements to employees shall be paid through the payroll system and in accordance with the detailed arrangements required by the ~~Corporate Financial Adviser~~Section 151 Officer and approved by the Council. In special cases a payment can be made through BACS.
- 22.2 All travelling claims from both Officers and Members shall be submitted on the appropriate form monthly to payroll by the 10th day of the month, together with appropriate VAT receipts to cover the mileage claimed. All mileage claims shall be submitted monthly.
- 22.3 Valid insurance (showing cover for business use) must be provided before new starters to the authority can claim mileage and then annually to payroll. Travel payments will cease until this information is provided.
- 22.4 All payments for allowances, travel and subsistence etc. to elected members shall be paid through the payroll system and in accordance with the detailed arrangements required by the ~~Corporate Financial Adviser~~Section 151 Officer and approved by the Council.

23 TIME SHEETS

- 23.1 All timesheets and records for overtime, expenses etc. shall be in a form approved by the ~~Corporate Financial Adviser~~Section 151 Officer. All claims shall be submitted at least quarterly. Any claims submitted outside of this

time limit (without the approval of ~~the a Deputy Chief Executive or the~~ Chief Executive) will not be paid.

23.2 The standard procedure for employees leaving the Council, or transferring to another post shall be followed in all cases. These procedures are laid down in the Employment Policies and Procedures Manual.

24 BANKING ARRANGEMENTS

General

24.1 All arrangements with the Council's bankers concerning the Council's bank accounts and partnership accounts which the Council manages on behalf of any partnership, and the issue and deposit of cheques shall be made through the ~~Corporate Financial Advisor~~ Section 151 Officer.

24.2 The ~~Corporate Financial Advisor~~ Section 151 Officer shall be authorised to operate such subsidiary bank accounts as deemed necessary. All amendments/ changes to these arrangements shall be reported to the Cabinet.

24.3 Any overdraft on the Council's bank accounts shall be kept within the limits set out in the Treasury Management Strategy Statement. Bank accounts shall be reconciled by Financial Services at intervals no longer than one month and kept up to date.

Cash and Cheques Received

24.4 All monies received on behalf of the Council shall, without delay, be banked in the Council's name in accordance with the instructions of the ~~Corporate Financial Advisor~~ Section 151 Officer. Post dated cheques will not be accepted.

24.5 There shall be separation of duties between receiving and paying out monies. Employees who collect cash shall not be involved in the maintenance of cash and deposit books or other financial records in respect of that cash. Any exceptions to this rule can only be accepted on the written approval, in advance, of the ~~Corporate Financial Advisor~~ Section 151 Officer.

24.6 All copies of cancelled receipts shall be retained for inspection for a period in keeping with the Council's document disposal policy for standard receipts.

Money Laundering

24.7 Any transaction involving an unusually large amount of cash should cause questions to be asked about the source. This may particularly be the case where cash paid exceeds the amount needed to pay the transaction and a

refund is requested but not in cash form. Any suspicious transactions in cash over £10,000 should be directly reported to the Group Auditor-SWAP and Money Laundering procedures followed.

24.8 Any property or assets purchased from this Council shall be properly traced to the source of funds. Any suspicious transactions shall be reported to the Group Auditor-SWAP.

Payments by Direct Debit

24.9 All agreements with banking organisations regarding direct debits shall be approved by the ~~Corporate Financial Advisor~~Section 151 Officer.

24.10 Any telephone lines used to transmit confidential banking information regarding the Council's customers shall meet security standards approved by the ~~ICT Manager~~Group Manager for Corporate Support.

Direct Debits and Cheques Paid

24.11 All cheques and direct debit mandates drawn on bank accounts of the Council shall:

- be signed only by the ~~Corporate Financial Advisor~~Section 151 Officer or other employee authorised by the Cabinet to sign on behalf of ~~Corporate Financial Advisor~~Section 151 Officer;
- bear the name of the ~~Corporate Financial Advisor~~Section 151 Officer as produced by the Council's computers where this has been specifically agreed by the ~~Corporate Financial Advisor~~Section 151 Officer.

24.12 The ~~Corporate Financial Advisor~~Section 151 Officer shall arrange for such safeguards as are deemed necessary and practicable, including the separation of duties, so that as far as possible the following procedures are the responsibility of separate employees:

- the checking of creditors' accounts;
- the control of cheques;
- the preparation of cheques;
- the signature of cheques;
- authorisation procedures for electronic payments (BACS, CHAPS);
- the entry of the cash account;
- the reconciliation of bank balances.

Handling of Cheques

24.13 The list of outstanding cheques shall be examined at least monthly by Exchequer Services (Payments Acc No. 1) and Housing Benefits (Payments Acc No. 2) and reasons sought for cheques that have not

been cashed. Cheques, which have not been cashed six months after the date of issue, shall be cancelled.

25 INCOME

- 25.1 Arrangements for the collection of all monies due to the Council shall be subject to the control or approval of the ~~Corporate Financial Adviser~~Section 151 Officer.
- 25.2 ~~Corporate Group Managers and Team Managers~~ shall maintain such information in connection with the work done, goods supplied or services provided so that a correct record of all sums due is maintained. Wherever possible income due should be collected in advance. Managers shall ensure that individual sundry debtors are raised as soon as possible but no later than ten days from the delivery of goods or provision of services, unless specified terms have been agreed by the ~~Corporate Financial Adviser~~Section 151 Officer.
- 25.3 Monthly and where appropriate, quarterly accounts should be produced five working days after the month or quarter's end. ~~Corporate Group/Team Managers~~ shall record promptly, within the Council's Sundry Debtor System, all money due to the Council. The records shall include details relating to contracts, leases and other agreements and any arrangements entered into which involve the periodic receipt of money by the Council.
- 25.4 All fees and charges shall be reviewed annually as appropriate by each ~~Corporate Group Manager and Team Manager~~ in consultation with the ~~Corporate Financial Adviser~~Section 151 Officer. All changes to such charges shall be agreed in advance with the ~~Corporate Financial Adviser~~Section 151 Officer and recorded annually within the Fees and Charges Register after approval by Cabinet.
- 25.5 Any debts written off shall be in accordance with procedures approved by Cabinet. Debts of less than £500 can be written off with the approval of the ~~Corporate Financial Adviser~~Section 151 Officer. Debts over £500 shall require approval of Cabinet. The ~~Corporate Financial Adviser~~Section 151 Officer is responsible for reviewing these procedures annually with the Portfolio Holder - Finance and advising Cabinet of any recommended amendments.
- 25.6 The Exchequer Services team shall promptly create and submit debtors' accounts in accordance with the information recorded by ~~Team Group Managers/~~Managers, on the Sundry Debtor System. The recovery of all debts shall be in accordance with the procedures laid down by the ~~Corporate Financial Adviser~~Section 151 Officer.
- 25.7 ~~Corporate Group/Team~~ Managers shall be responsible for accounting for VAT on income, fees, and charges in accordance with the Regulations of

HM Revenue and Customs. The Financial Services Team shall advise those managers of any changes to the Regulations.

25.8 Where cash floats, petty cash or cash remittances are held, ~~Corporate Group/Team~~ Managers shall ensure that periodic checks are made to verify balances.

26 IMPREST ACCOUNTS

26.1 The ~~Corporate Financial Adviser~~ Section 151 Officer is responsible for the arrangements for imprest accounts. Guidance notes will be issued and employees in control of Imprest Accounts shall follow the correct procedures at all times. ~~Corporate Group/Team~~ Managers shall ensure that all monies authorised for reimbursement in an Imprest Account are accounted for in accordance with the guidance notes.

~~26.1~~

27 RISK MANAGEMENT AND INSURANCES

27.1 The C~~L~~M~~T~~ will prepare the authority's risk management policy statement and strategy for the approval of the Cabinet and review the effectiveness of those arrangements. Systems will be developed to identify and evaluate all significant risks to the authority by all associated in the planning and delivery of services.

27.2 A computerised central risk register will be maintained by the ~~Corporate Management Team~~ CMT. All risks identified in respect of the activities of the Council will be recorded on the register.

27.3 The ~~Corporate Group/Team~~ Managers are responsible for managing all risks in respect of their service. The ~~Corporate Group~~ Manager will nominate a named officer (or officers) who will be responsible for maintaining risk data and profiles, on the computerised central risk register for their service.

27.4 Risks will be identified by:

- Programmed Control and Risk Self Assessments sessions;
- Service Planning process;
- Audit reviews;
- The ~~Corporate Group/Team~~ Managers as part of their responsibilities for maintaining accurate risk records.

27.5 The South West Audit Partnership in conjunction with the ~~Corporate Group/Team~~ Managers will devise Action Plans to actively manage risks, following all control and risk self assessment sessions. The ~~Corporate Group/Team~~ Managers will be responsible for ensuring that all actions identified, in respect of any risk, are dealt with in accordance with the timetable specified.

27.6 The Corporate Risk Management Group will provide reports, providing details of the Council's current risk status, to the Management Board biannually and to the Audit Committee annually.

28 INSURANCES

28.1 The ~~Corporate Financial Advisor~~Section 151 Officer shall make arrangements for approved insurance cover, maintaining adequate records and negotiating claims with the Council's insurers.

28.2 The ~~Corporate Group/Team~~ Managers shall advise the Insurance Officer of the extent and nature of all new risks where insurance may not exist or may be inadequate.

28.3 The ~~Corporate Financial Advisor~~Section 151 Officer can authorise payments of small claims of up to £2,000 providing this amount is less than the policy excess in place. These costs will be funded from budget of the relevant service.

Notification of Loss

28.4 The ~~Corporate Group/Team~~ Managers shall notify immediately the Insurance Officer, in writing, of any loss, liability or damage or any event likely to lead to a claim in connection with their areas of responsibility.

28.5 All employees of the Council shall be included in a fidelity guarantee policy.

28.6 The ~~Corporate Financial Advisor~~Section 151 Officer shall review insurance cover annually.

Car Allowances

28.7 Recipients of car allowances shall provide Payroll with copies of insurance policies or premium receipts as may be necessary to ensure adequate cover against any liability of the Council arising from official use of their vehicle.

Current Insurance

28.8 The Insurance Officer shall keep all ~~Corporate Group/Team~~ Managers notified as to the nature and extent of the various risks that are covered or left exposed.

Inventories

28.9 ~~Team Group~~ Managers shall be responsible for ensuring proper maintenance of inventories of furniture, equipment and the means for

prompt and efficient identification of each item for the purposes of insurance claims or claims under suppliers' guarantees. The information shall be recorded in the format specified by the ~~Corporate Financial Advisor~~Section 151 Officer.

29 STOCKS, STORES, FURNITURE AND EQUIPMENT

General

29.1 ~~Team-Group~~ Managers shall be responsible for the care and physical control of all stocks, stores, furniture, plans and equipment in their custody. Records shall be maintained in a form specified by the ~~Corporate Financial Advisor~~Section 151 Officer.

Write Offs

29.2 Any items of stocks, stores, furniture or equipment to be written off shall require the certification of the ~~Corporate Financial Advisor~~Section 151 Officer. The certification shall be in writing and details notified to the ~~Corporate Financial Advisor~~Section 151 Officer as soon as possible.

Disposal of Surplus Furniture & Equipment

29.3 Prior to disposal the ~~Corporate-Group~~ Manager/~~Team~~ Manager shall offer the surplus furniture or equipment to other services within the organisation at no cost. Only when there is no organisational need to retain the equipment can it be sold.

29.4 If there is no established organisational need, disposal of unwanted furniture is the responsibility of the ~~Team-Group~~ Manager. In order to ensure a consistent approach, and that the Council receives value for money from disposal, the ~~Procurement~~Corporate Support Group Manager shall co-ordinate disposal of furniture, equipment, and related items.

29.5 The ~~Corporate~~Group/Team Manager who wishes to dispose of surplus furniture and equipment shall advise the Procurement Officer. If it is reusable it will be sold. An advertisement shall be placed and sealed bids submitted. The highest bid will be accepted and the income credited to the appropriate cost centre.

29.6 All redundant personal computers and related items shall be returned to the ICT Service who will offer the equipment to other units/sections of the Council or to be disposed of securely.

29.7 ~~Corporate~~Group/Team Managers shall amend inventories to reflect disposals and acquisitions.

29.8 Disposal of mobile telephones belonging to ~~Mendip the District~~ Council shall be agreed ~~through ICT~~ by the Group Manager for Corporate Support.

30 CAR LOANS AND LEASED CARS

30.1 All loans and leases for the provision of motor vehicles shall be administered in accordance with the scheme approved by the Cabinet.

31 BUILDINGS, LAND AND PROPERTY

Asset Register

31.1 The ~~Corporate Financial Advisor~~ Section 151 Officer shall maintain a full and accurate register of all Council fixed assets for the purpose of calculating capital charges in accordance with relevant Codes of Practice.

Buildings, Land and Property Transactions

- 31.2 | [s1] No arrangements shall be made for the acquisition or disposal of land and buildings where the value is estimated to exceed £10,000 (with the exception of transfers of housing or parking land to RSLs and where arrangements are considered and decided upon by the Corporate Asset Management Group which has authority to deal with such acquisitions and disposals up to a maximum value of £100,000), without first gaining the approval of the Cabinet and meeting any requirements stipulated by the Cabinet. If the proposal is not within the approved Capital Budget, the Cabinet will make a recommendation.
- 31.3 | A Capital Investment Appraisal form for acquisitions and an Asset Sale Appraisal Form for disposals shall be completed and submitted to the appropriate Committee.
- 31.4 | Requests for the transfer of land or property valued at under £100,000 transferred at less than best value to an RSL for social housing or parking associated with social housing purposes should be made through an Asset Sale Disposal Form and follow the agreed policy for such a disposal. Approval is required of the ~~Corporate Financial Adviser~~ Section 151 Officer and the relevant Portfolio Holder. Any transfers outside of the agreed policy or where land/property is valued at £100,000 or more shall seek Cabinet approval.
- 31.5 | All arrangements for the acquisition and disposal of land and buildings shall be in accordance with Council Asset Management Policy and Disposal Policy for Surplus/ Under-used Council Owned Property, and be conducted by the ~~Corporate Financial Adviser~~ Section 151 Officer, including all negotiations and the preparation and certification of valuation certificates (which certification shall be carried out by properly qualified persons designated by the ~~Corporate Financial Adviser~~ Section 151 Officer).
- 31.6 | Receipts generated from the sale of assets where the value is £10,000 or more shall be set aside to replace any loss in revenue income before the receipt becomes available for other purposes. The net proceeds after also deducting costs will then form part of the overall available capital receipts and be distributed in accordance with the Council's overall corporate priorities. Where the net receipt is less than £10,000 the proceeds will be credited to the appropriate revenue budget.
- 31.7 | The ~~Corporate Financial Adviser~~ Section 151 Officer shall, in the absence of any specific conditions or exemptions agreed by the Cabinet and these Financial Procedure Rules, have authority to undertake the following in consultation with the relevant Corporate Manager, or Portfolio Holder, where the value of the consideration, rent, licence fees, easement or wayleave payment or compensation claim in each case does not exceed £50,000 and is in accordance with the District Valuer (or other independent professional) valuation:-
- the agreement of all monthly tenancies;
 - the agreement of all licences;
 - the conducting and agreement of all rent reviews;
 - the agreement of all lease renewals;

- the agreement of lettings;
- the agreement of all easements and wayleaves;
- the agreement of all changes of use;
- the agreement of all compensation claims where there is budgetary provision;
- the agreement of all releases/variations of covenants.

31.8 In respect of a disposal at less than best consideration (with the exception of transfers of land valued under £100,000 to RSLs or disposals considered and approved by the Corporate Asset Management Group), the relevant Corporate Manager, or Portfolio Holder shall, in conjunction with the ~~Corporate Financial Adviser~~Section 151 Officer report to the Cabinet, requesting approval to proceed with the disposal in accordance with the General Disposal Consent Order 2003 (or any subsequent replacement Order) , before the disposal can be completed, or in any other circumstances where the recommendation is to accept a price which is other than the price which offers the best consideration reasonably obtainable.

Condition Surveys

31.9 The ~~Team Manager — Strategic Assets~~Neighborhood Services Group Manager and Corporate Support Group Manager shall ensure that condition surveys of all buildings and property assets in which the Council has a proprietary interest are carried out at least once every 5 years. Survey details are to be recorded in appropriate systems and work programmes prepared in accordance with priorities set out in the ~~Strategic~~ Asset Management Plan.

Asset Management Plans

31.10 The ~~Corporate Manager — Governance, Resources and Assets~~Corporate Support Group Manager shall maintain an Asset Management Plan in respect of the Council's land and property portfolio. The Plan must detail the approach to asset management and set out policies, aims and initiatives of the Council in relation to its assets together with an action plan to be monitored by the ~~Strategic~~ Asset Management Group ~~and reported annually to the Cabinet.~~

31.11 The ~~Team Manager — Strategic Assets~~Corporate Support Group Manager shall maintain records and systems that enable the Council to ensure that the best use is made of all properties, and in conjunction with the ~~Corporate Financial Adviser~~Section 151 Officer shall advise the Council on alternative uses of land and property as best serves the Council's interests at the time.

31.12 The ~~Team Manager — Strategic Assets~~Corporate Support Group Manager and the ~~Corporate Financial Adviser~~Section 151 Officer shall, ensure that all leases are kept up to date and rents due are revised at the appropriate time.

Custody of Deeds and Documents

31.13 The ~~Senior Solicitor~~Monitoring Officer shall have custody of the title deeds and other agreements under seal or hand of all land owned by the Council (together with all deeds and documents held as security for any monies owed to the Council) and are responsible for their safe-keeping.

Security

31.14 The ~~Corporate/Team~~Group Managers shall be responsible for ensuring the proper security at all times for buildings, stocks, stores, furniture, equipment, cash and information held on files. The ~~Corporate/Team~~Group Managers shall consult with the ~~Facilities Team~~Neighbourhood Services Group in any instance where security is thought to be defective or where it is considered that special security arrangements may be needed, or where circumstances suggest the possibility of any irregularity.

31.15 The ~~Corporate/Team~~Group Managers shall ensure that there are appropriate arrangements for the control of all door, safe and cabinet keys held within their areas of responsibility. There shall be independent control of all receipt forms, cheques, tickets, store notes, order forms or similar documents and it shall be the responsibility of the appropriate ~~Corporate Group~~ Manager ~~or Team Manager~~ to ensure that all such items are serially numbered and controlled in accordance with arrangements agreed with the Group Auditor-SWAP.

32 EXTERNAL ARRANGEMENTS

Partnerships

32.1 In leading the community and entering into partnerships the Council will seek to achieve the promotion or improvement of the economic, social or environmental wellbeing of its area.

32.2 The main criteria for ~~MDC~~the Council entering into a partnership are:-

- to provide improvements in service delivery;
- to provide efficiency in the costs of service provision;
- to share risk;
- to achieve specific corporate priorities.

32.3 A partner is defined as an organisation or undertaking (private or public), that is part funding, or participating as a beneficiary in a partnership OR a body whose nature or status gives it a right or obligation to support the partnership

32.4 Partners may participate by;

- acting as a deliverer or sponsor, solely or jointly with others;
- acting as a funder or part funder;
- being the beneficiary group (or part thereof) of the activity undertaken in a partnership.

32.5 The Cabinet is responsible for determining and agreeing all key partnerships. ~~Corporate Group~~ Managers are responsible for agreeing all substantial and minor partnerships. At inception a review period must be agreed and any associated delegation arrangements.

32.6 The ~~Corporate/Team Group~~ Managers and Portfolio Holders shall consider and make provision for any overall corporate governance issues and shall ensure account is taken of any legal issues when arranging contracts with external bodies. They shall ensure that risks have been fully appraised before agreements are entered into with external bodies.

32.7 The governance arrangements of all key and significant partnerships require approval of the CLMT.

32.8 All key partnerships have a requirement to produce, maintain, and monitor a shared risk register.

32.9 The same high standards of conduct that apply throughout the authority shall be maintained in partnerships, and representatives to partnerships should exercise these same high standards.

32.10 The ~~Corporate Financial Advisor~~Section 151 Officer shall ensure that accounting arrangements, to be adopted in relation to partnerships and joint ventures, are satisfactory.

32.11 Regular monitoring arrangements must be in place. For key partnerships monitoring must be reported regularly to the Cabinet. This can be carried out through the quarterly budget monitoring reports as a minimum.

32.12 ~~Corporate/Team Group~~ Managers and Portfolio Holders are responsible for ensuring that appropriate Council approvals are obtained before concluding negotiations in relation to work with external bodies.

External Funding

32.13 The ~~Corporate Financial Advisor~~Section 151 Officer in consultation with the relevant ~~Corporate Group Manager, Team Manager,~~ or Portfolio Holder is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts. Each ~~Corporate Group Manager, Team Manager,~~ and Portfolio Holder is responsible for informing the ~~Corporate Financial Advisor~~Section 151 Officer promptly about such funding. Where such income is receivable against a grant claim the relevant ~~Corporate Group Manager, Team~~

~~Manager,~~ or Portfolio Holder shall provide written confirmation to the ~~Corporate Financial Adviser~~ Section 151 Officer that all output and other grant requirements have been properly and fully met.

Work for Third Parties

32.14 The Cabinet is responsible for approving the undertaking of work for third parties or external bodies where the value exceeds £10,000 in value. Where the value of such work is below £10,000 the relevant ~~Corporate Group~~ Manager, ~~Team Manager~~, or Portfolio Holder may approve such work subject to taking account of all relevant considerations including the financial soundness of any third party to such a contract. In all cases consideration shall be given to the financial and legal implications of such arrangements.

Grants to Outside Bodies

32.15 The Cabinet shall approve all grants and other assistance to external bodies, except where such annual assistance in total is less than £1,000 in value to any one body and there is budgetary provision for such assistance. It must not form a commitment of future year's annual budget unless it matches criteria for multi year approval as set by Council. Where the total value per annum to any one body is below £1,000 the relevant ~~Corporate Group~~ Manager, ~~Team Manager~~, or Portfolio Holder may approve such assistance subject to the requirements of these Financial Procedure Rules being met. Where the total value per annum to any one body is below £750 the relevant ~~Corporate Group~~ Manager may delegate the approval to the appropriate designated officer, again subject to the requirements of these Financial Procedure Rules being met.

32.16 The Cabinet may approve a framework for the administration of any specified class of grant and assistance over the value of £1,000 by a relevant ~~Corporate Group~~ Manager for the efficient conduct of business, subject to the agreed framework and meeting the other requirements of these Financial Procedure Rules.

32.17 Reports to the Cabinet (and decisions taken under the provisions of (32.16) above) seeking approval to assist an outside body by grant or other assistance in kind shall provide assurance that the following requirements have been met or will be met, and ensure that the Council's interests are protected before any grant or assistance is actually made:

- the receiving body has been properly identified, has suitable lead parties, a defined work area/purpose, and suitable trust documents/constitution;
- any conflicts of interest have been declared and properly managed;
- any risks to such agreements and the Council's interests are being adequately and appropriately managed;

- it will be possible to confirm the proper use of the Council's assistance;
- the assistance contributes to the delivery of the Council's services or achievement of the Council's corporate objectives;
- the extent and purpose of the assistance have been properly identified;
- arrangements for the repayment of any loans have been made;
- arrangements to gain repayment/recovery for the value of the assistance are in place in the event of default by the recipient;
- any specific conditions relating to the assistance are identified;
- monitoring arrangements are to be set in place to ensure the assistance is used for the purpose approved;
- the recipient will provide evidence to the Council demonstrating proper accounting for, and use of the assistance, including, for assistance over £1,000 in value, access to the accounts of the body for ~~Corporate Financial Advisor~~Section 151 Officer, or designated representative and to supporting information, documents and evidence;
- a legally binding agreement is in place between the Council and the body covering the above conditions relating to the use of grant or other assistance.

32.18 Full records will be maintained of all grants and related applications for assistance, which should identify which staff are involved in the processing of applications and grants, and record the date of approval of any grant or other assistance and by whom, and any other relevant transaction information.

33 BREACHES OF FINANCIAL REGULATIONS

- 33.1 Where a failure to comply with these regulations is identified the matter should be brought to the immediate attention of the ~~Corporate Financial Advisor~~Section 151 Officer and the Group Auditor.
- 33.2 A report shall be made to the ~~Corporate Financial Advisor~~Section 151 Officer for minor breaches and to the Cabinet where the ~~Corporate Financial Advisor~~Section 151 Officer and the Group Auditor consider the matter to be of significance.