

# **SCHEME OF FINANCIAL MANAGEMENT**

## **FINANCIAL REGULATIONS**

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## **FINANCIAL REGULATIONS**

### **1.0 GENERAL CONTEXT**

- 1.1 These Regulations are required by law and by the Council's Constitution (Part 4.5 - [Financial and Contract Rules](#), which is contained within Part 4 – Rules of Procedure). They detail the responsibility of officers in ensuring the proper administration of the Council's financial affairs.
- 1.2 The Chief Finance Officer is designated under the Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council's financial affairs. He / she is also responsible under Section 114 of the Local Government Finance Act 1988 to report formally any instance of unlawful expenditure (potential or actual) to the authority's members and external auditors.
- 1.3 The Regulations should be read in conjunction with the [Scheme of Delegation to Officers](#) (Part 3D, which is contained within Part 3 – Responsibility for Functions) including, in particular, the Finance limits of Delegated Powers to Executive Directors (People & Communities and Place & Economy) and Directors (Customer Service and Transformation and Public Health), hereafter referred to as Executive Directors and Directors.

### **2.0 FINANCIAL CONTROL – GENERAL**

- 2.1 Each Executive Director or Director must immediately inform the Chief Finance Officer of any matters arising, decision or course of action or proposed decision, proposed course of action or entry of an item of account relating to his / her Service/Corporate Directorate, which may give rise to a report under Section 114 of the 1988 Act (see Regulation 1.2 above).
- 2.2 The [Statement of Financial Responsibilities](#) (Appendix A) details the responsibilities and reporting, to conform with Sections 114 and 151, to be discharged by the following officers:
- (i) [Chief Executive](#)
  - (ii) [Chief Finance Officer](#)
  - (iii) [Executive Directors \(People & Communities and Place & Economy\) and Directors \(Corporate & Customer Services, Public Health and Business Improvement & Development\)](#)
  - (iv) [Head of Finance and Strategic Finance Managers](#)
  - (v) [Service Directors](#)
  - (vi) [Chief Internal Auditor](#)

This appendix also includes the delegated authority to the General Purposes Committee.

- 2.3 Each Executive Director or Director shall ensure that all the documents that comprise the overall Scheme of Financial Management are observed throughout his / her Service. Where a Service wishes to operate more detailed schemes of local financial management, these must be consistent with Financial Regulations and be approved by the Chief Finance Officer.

Any such schemes are subsidiary to the overall Scheme of Financial Management, which takes precedence. Schemes of local financial management currently approved under this section are:

- Education - Scheme of Financial Management for Schools

2.4 No Service shall:

- (a) cause or allow its expenditure, whether of a revenue or capital nature, to exceed its financial allocation, including any subsequent variations made available to it;
- (b) divert financial provision from one heading to another heading in the revenue estimates, or from one project to another in the capital estimates, except in accordance with the rules for virement as specified in the [Finance Management Arrangements for Services](#) (section 31.0).

2.5 Each Executive Director or Director is responsible for the control of workers and the security, custody and control of all other resources including plant, buildings (except where they are the responsibility of the Chief Finance Officer), materials, cash and stores appertaining to his / her Service.

2.6 Financial and management responsibilities must be aligned, so that managers are responsible for the financial consequences of their decisions. A single Budget Holder must be assigned to each budget i.e. cost centre. The discharge of budget management responsibilities will be appraised through the Council's scheme of performance management.

### **3.0 FINANCIAL SYSTEMS / RECORDS**

3.1 The Chief Finance Officer is responsible for the operation of the County Council's accounting system, the form of accounts and the supporting financial records.

3.2 The ERP Gold system shall be the prime system upon which final assessments of financial performance shall be made, and statutory accounts, grant claims and budgets must be reported from data held on ERP Gold. Services must seek authorisation from the Chief Finance Officer before implementing local financial systems and will use the Council's ERP Gold system as the overall accounting record. The sole approved exception relates to schools, who are authorised to operate local bank accounts in accordance with the Council's Scheme of Financial Management for Schools.

3.3 Services must reconcile any local accounting records to the Council's central financial information system throughout the course of the financial year.

3.4 All documents, invoices, etc., pertaining to transactions on central and local accounting systems must be retained in accordance with the requirements set out in [Appendix B](#) (Retention of Financial Records).

### **4.0 BANKING / CASH MANAGEMENT / TRUST FUNDS**

4.1 The Chief Finance Officer has delegated responsibilities for the Treasury Management function (management of debt and the borrowing and

investment of money) and arranging and operating the Council's banking facilities. This means that no other officers are empowered to open any kind of bank account, to invest or borrow any money, or to enter into any credit arrangement. The exception on bank accounts is where schools are given permission to open accounts in accordance with the Council's Scheme of Financial Management for Schools.

- 4.2 All of the Council's bank accounts should be maintained in accordance with the [Scheme of Operation](#) approved by the Chief Finance Officer.
- 4.3 The County Council adopts the key recommendations of CIPFA's *Treasury Management in the Public Services: Code of Practice* (the Code), as described in Section 4 of that Code.

Accordingly, the Council will create and maintain:

- a treasury management policy statement, stating the policies and objectives of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.

The County Council delegates responsibility for the implementation and monitoring of administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs, and CIPFA's *Standard of Professional Practice on Treasury Management*.

- 4.4 The Chief Finance Officer has delegated responsibility for the management of Trust Funds. This covers all types of funds held on behalf of personal clients or charities, whether acting in the capacity of an appointee, a trustee, or a nominated receiver. A record of all such arrangements must be held by relevant Finance Units and all related tax affairs must be dealt with expeditiously on the client's behalf.

## **5.0 APPRAISAL OF NEW CAPITAL SCHEMES / PROJECTS**

- 5.1 Any new capital scheme or project costing more than £10,000 shall be appraised as to its financial, human resources, property and economic consequences before detailed budgetary provision is made. The appraisal should cover:-
- (a) objectives and outcomes;
  - (b) ongoing revenue impact over life of project;
  - (c) net present value;
  - (d) sensitivity to changes in key assumptions;
  - (e) analysis of options;

- (f) analysis of risks and impact;
- (g) statement of how project will be managed and reviewed;
- (h) statement that project is affordable and funding source has been specified;
- (i) whether the scheme is an 'invest to save' project;
- (j) an estimate of the full value of any capital receipt expected to be received (if applicable).

- 5.2 This requirement applies to those projects which arise from a change in policy or which will result in a change in working practice or a change in the method of service delivery.

Project justifications for capital schemes will be prioritised within the framework and assessment process as set out in the Council's Capital Strategy. In order to complete the above appraisal, a [business case](#) must be completed for each capital project, which will be approved by the relevant Finance Business Partner and then considered by the Capital Programme Board. The business case must be approved by the Board before the project can be included in the Service's capital programme and presented to the relevant Service Committee for approval.

- 5.3 The Chief Finance Officer has delegated power to approve new capital bids, provided that the amount does not exceed a fixed sum of £250k (in line with the capital virement thresholds detailed in [appendix H](#)).

## **6.0 FINANCIAL CONTROL – CAPITAL**

- 6.1 The inclusion of an item in a Service Block's approved capital programme shall confer authority on the relevant Executive Director or Director to incur that expenditure provided that:
- (a) the scheme has been appraised in accordance with [Regulation 5](#).
  - (b) where the scheme is to be financed from earmarked funds from Government, approval to capital expenditure has been obtained from the relevant Government department;
  - (c) the method of financing has been determined;
  - (d) budget provision exists to meet any revenue consequences;
  - (e) property transactions do not exceed the values set out in the [Scheme of Delegation to Officers](#) (Part 3D, see A5, A6 – which is contained within Part 3 – Responsibility of Functions).
- 6.2 Budgets that trade have no power to borrow externally to meet capital expenditure requirements. Any expenditure arising must be financed directly from revenue or from accumulated reserves or via internal borrowing arrangements agreed by the Chief Finance Officer.

- 6.3 The Chief Finance Officer has delegated power to sanction any virement between capital schemes, provided that the amount does not exceed a fixed sum (as detailed in [appendix H](#)).
- 6.4 Only in exceptional circumstances and where the proposals are incapable of being met within the existing provision, may supplementary capital estimates be sought from the General Purposes Committee. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Executive Director or Director and the Chief Finance Officer to the Capital Programme Board and the Council's Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee. The Chief Finance Officer has delegated power to approve supplementary capital estimates, provided that the amount does not exceed a fixed sum of £250k (in line with the capital virement thresholds detailed in [appendix H](#)).

## **7.0 APPRAISAL OF NEW REVENUE SCHEMES / PROJECTS**

- 7.1 Any new revenue scheme or project shall be appraised as to its financial, human resources, property and economic consequences before detailed budgetary provision is made. The appraisal should cover:-
- (a) project approach;
  - (b) resource requirements;
  - (c) cost and savings;
  - (d) risks and issues;
  - (e) project impact (including community impact assessment);
  - (f) delivery options;
  - (g) net revenue impact each year over life of project
  - (h) statement of how project will be managed and reviewed;

The appraisal is to be approved by the relevant Finance Business Partner.

- 7.2 This requirement applies to those projects which arise from a change in policy or which will result in a change in working practice or a change in the method of service delivery.

## **8.0 FINANCIAL CONTROL – REVENUE**

- 8.1 The inclusion of an item in a Service Block's approved revenue estimates for the financial year shall confer authority to incur that expenditure.
- 8.2 No expenditure may be incurred that cannot be met from the amount provided under the relevant head of the approved estimate, or by an approved virement, without the approval of the General Purposes Committee. This regulation applies equally to any proposed reduction in income.

- 8.3 Supplementary estimates require the prior approval of the General Purposes Committee. These may only be requested in exceptional circumstances where the proposals are incapable of being absorbed within approved financial provision or deferred to a later year. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Executive Director or Director and the Chief Finance Officer to the Council's Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee.

### **Virement**

- 8.4 The overall rules on virement are set out in the [Financial and Contract Rules](#) (Part 4.5, which is contained within Part 4 – Rules of Procedure). The Chief Finance Officer has delegated power to sanction any virement between the main revenue budget headings in a Service Block, provided that the amount does not exceed a fixed sum, currently £175,000. Main budget headings are defined as the objective analysis of expenditure incorporated in the published Budget Report for each Service Block.
- 8.5 Where a virement between heads of expenditure is such as to impose a revenue burden in future financial years, the annual cost of the proposed expenditure shall be financed from within the relevant Service's/Corporate Directorates' base budget unless additional finance has been provided in future years.
- 8.6 The transfer of Directorate-based funds from reserves to revenue must be approved in accordance with the rules for virement as specified in the [Finance Management Arrangements for Services](#) (section 31.0).

## **9.0 TRADING ACTIVITY**

- 9.1 Services that trade both internally and externally are treated like any other revenue budget, whereby the expectation is any expenditure incurred must not exceed the funding available i.e. their income. If a traded unit realises a surplus or deficit at year-end, consideration must be given whether this is absorbed within the relevant Service's budget block, or is retained by the traded unit and managed through longer term service planning. Where a surplus or deficit is realised, the service can request that part or all of the balance be retained if clear rationale is provided for its use (or management in the case of a deficit), and this is identified within the traded unit's future business plans via the submission of a business case.
- 9.2 The only distinction with 'trading units' is in terms of annual returns and planning purposes where the Service Reporting Code of Practice (SERCOP) guidance is to be followed. A section is defined as a Trading Unit for this purpose where it meets one of the 5 criteria set out in [Appendix C](#).
- 9.3 At year-end the reporting requirement for Statement of Accounts (SoA) states that any external trading must be reported separately within the Income & Expenditure Account with an appropriate disclosure note. Therefore where a budget trades both internally and externally, the external element needs to be separately identifiable.

- 9.4 Further guidance for managers whose budget has a significant reliance on external income can be found in [Appendix D](#).
- 9.5 Budgets that trade and rely solely on their income generation to fund their expenditure are recharged a corporate overhead charge based on the marginal cost of their activity. [Appendix E](#) shows a summary of the corporate services for which these budgets are charged for in this way.
- 9.6 Budgets that trade must not compete for work with other internal providers; they are, however, allowed to compete for external work, subject to the prior approval of the Chief Finance Officer and the Director of Legal and Governance Services (considerations to be considered before taking on external contracts are detailed in [Appendix D](#)). In addition, services that undertake work outside the normal responsibilities of the Council, i.e. for external customers, must inform the Council's Chief Finance Officer in advance of submitting an offer to carry out such work and must obtain such insurance cover as the Head of Procurement prescribes.
- 9.7 Each budget holder who is responsible for a budget that trades should continually monitor the trading performance of his / her unit and immediately alert the relevant Executive Director or Director and the Chief Finance Officer should doubts about the financial performance of the unit emerge. The budget's financial results, outturn projections, and explanations of significant variances from the original plan are to be reported by Finance to Commercial and Investment Committee quarterly.

## **10.0 FEES AND CHARGES**

- 10.1 Financial and Contract Procedure Rules require that all scales and levels of charges must be reviewed annually. All Executive Directors and Directors in the consultation with the Chief Finance Officer shall agree a schedule of proposed fees and charges for the financial year. Revised fees and charges should be presented to respective service committees each year; any changes to this schedule should be approved via the Fees and Charging Request Template (see [Appendix J](#)). An overall Schedule of Fees and Charges for discretionary charges will be maintained by the Chief Finance Officer and will be published on the Council's website.
- 10.2 The Business Planning (BP) process will assume that all fees and charges are increased in line with the latest inflation indices, therefore any charges not increased in line with inflation will create a revenue pressure that will need to be absorbed within the cash limit for that service block.

## **11.0 TRANSFORMATION BIDS**

- 11.1 Transformation bids should be submitted as part of the Business Planning process, by completing the Investment Proposal Template.
- 11.2 Additional one-off budget will be made available via the BP process to support innovative projects that underpin service improvements and deliver future efficiencies. The additional budget will be repaid via budget savings to be achieved in subsequent years.

11.3 The objective of transformational bids is to encourage projects across Cambridgeshire County Council that will:

- Improve the cost effectiveness of services
- Provide value for money
- Achieve long-term savings and efficiencies

11.4 Guidance on transformational bids can be found [here](#).

## **12.0 PARTNERSHIPS**

12.1 Before entering into a Partnership the respective manager should consult the [Partnership Governance Advice & Guidance](#). This guidance aims to improve the governance of any partnership you get involved in.

## **13.0 DEBT POLICY**

### **Introduction**

13.1 The Debt Policy is issued by the Chief Finance Officer for Cambridgeshire County Council in accordance with the Council's Constitution. They are corporate procedures and will be followed by all parties involved in the recovery of monies owed to the County Council.

13.2 Variations and exceptions to this policy can only be approved by the Chief Finance Officer. Where leasehold or tenancy agreements prescribe, alternative debt recovery arrangements are in place and are managed by the Property Service Area.

13.3 Departments must use upfront payments in all appropriate circumstances for all services provided before issuing invoices to minimise the potential for debts to occur.

13.4 All invoices issued by departments must be raised in the ERP system either directly or via an interface feed from a line of business system within a maximum period of 14 days from the date the service commenced / was delivered. Invoice raising should be in accordance with the prescribed procedure ensuring that where appropriate customer purchase order numbers are shown. Once the invoice is recorded in the ERP system the credit will be posted to General Ledger (GL). The management information produced from GL will, therefore, reflect the Council's accounting policy.

13.5 The Chief Finance Officer will arrange for the debt to be collected through the LGSS Debt team (hereafter referred to as 'the debt team'). Raising an invoice should lead to payment being received, however the relevant collections team will chase all unpaid invoices in line with the approved Debt Policy and Collections Process.

### **Payment and Credit Terms**

13.6 Payment terms for accounts raised are determined by the raising department and will typically be either immediate or 30 days. Customers already on Direct Debit will have 19 day payment terms. If any other payment terms are required these must be presented to the Chief Finance Officer, with a

business case, to seek agreement prior to the issuance of an invoice. Monies owed are considered to be a debt once the payment due date has expired.

- 13.7 If Cambridgeshire County Council have had no dealings with a customer before or if the customer has a record of poor payment then consideration should be given to requesting payment before the goods or service are supplied. A paid invoice can be supplied after the event, if required.

This section will not apply to debts accrued as a result of community care services provided as a result of an Adult Social Care Community Care assessment.

- 13.8 Late Payment Interest: Under the "Late Payment of Commercial Debts (Interest) Act 1998" the Council is entitled to claim statutory interest at the Bank of England plus 8% for the late payment of commercial debts. The legislation also allows for the charging of a fixed sum depending on the amount of the debt on top of the interest. Any such costs, which may be recovered will be credited against corporate debt recovery costs and loss of interest and will not be credited to departmental budgets.

In certain circumstances, Adult Social Care may authorise a deferred payments scheme in line with the Care Act 2014 legislation. The debt is not invoiced in the ERP system under this scheme and any queries should be directed to the LGSS Financial Assessments services.

### **Invoicing**

- 13.9 The ERP system contains customer name and address information for raising invoices, however, it is the responsibility of departments to ensure that the information is correct and up to date before raising an invoice. Departments should also include phone numbers and email addresses when requesting a new customer be created or updating an existing customer record as this data is vital in assisting with any debt recovery activity that may need to be undertaken.
- 13.10 If an original invoice over £100 is returned due to an incorrect address the debt team will instigate a customer trace with any costs incurred charged to the originating department.
- 13.11 If the invoice is under £100 it will be cancelled and the department informed. When a new address is known a new invoice will need to be raised by the department. Details on customer set up and maintenance and how to raise an invoice can be found on the Council and LGSS Intranet sites.
- 13.12 It is important that invoices are raised in respect of all debts as soon as the service has been provided or any liability incurred. Invoices must be accurate and they must not be speculative. They must be entered into the ERP system without delay.

Where the Council is in a contractual situation and stage payments are made a request for payment should be issued in the first instance. An invoice should only be raised once agreement has been reached on the amount to be paid. If an order has been part completed, consider raising an invoice for this part of the work, particularly if there will be a delay before completing the order and/or the order is large.

- 13.13 Invoices produced by LGSS will not be returned to departments upon printing, nor will attachments be sent out with invoices. The most practical approach is to send correspondence or attachments under separate cover, preferably via email and say that an invoice will follow.
- 13.14 Departments are advised not to raise official invoices for amounts below £50 as the cost of collection will outweigh the income being collected. In these circumstances departments should collect payment before goods/services are delivered.
- N.B.** Where the supply is liable to VAT the debtor has a right to request either a VAT invoice or a VAT receipt. This right will normally only be taken up by a VAT registered trader.
- 13.15 If a debt has arisen as the result of an overpayment to a creditor, the first consideration should be given to deducting monies from further payments due, however if this is not possible then an invoice should be raised without delay.

### **Allocation of Payments**

- 13.16 Payments received will be allocated against their respective invoice providing the customer has clearly specified which invoice the payment relates to. Unallocated payments will be held on the customer's account until it becomes clear which invoice it relates to. Some payments may get allocated against the oldest debt or against collection costs such as fees, costs and interest.
- 13.17 Where departments are asked for assistance in identifying unidentified cash they should respond within 10 working days. Any unidentified cash, unapplied after six months, will be transferred into central funds. If this is subsequently identified prior to year-end closure, then a transfer to the departmental budget may be effected.

### **Debt Collection Timetable**

- 13.18 Departments raising invoices are responsible for ensuring customers are aware of the payment terms and that the customer has the capacity to pay prior to an invoice being issued. The following process is only applied to invoices that have not been paid by the due date.

The debt collection process will commence 4 days after the invoice due date (to allow for any payment made right on the due date to clear and be applied) unless it is in excess of £5,000 in which case a telephone call will be attempted prior to the due date (providing telephone contact details have been provided and resources allow). The timetable below may alter depending on the individual circumstances of specific cases and if the customer makes or is in contact with the debt team (or department), for example, raising or resolving a dispute.

Due Date + 4 days - if no response or payment has been received the customer is issued with a first reminder requesting payment.

Due Date + 12 day - if no response or payment has been received the customer is issued with a final notice demand for payment.

Due Date + 22 days - if no response or payment has been received the customer is issued with a formal letter before action - stating we will look to commence legal proceedings if payment is not received within the next 10 days.

Due Date + 34 days - the debt will be assessed using the debt recovery strategy to determine what action will be taken next.

For all debts in excess of £500 attempts will be made to contact the customer by phone to discuss non-payment and make acceptable arrangements for the invoice to be paid, e.g. payment in full, set up a payment schedule. If no agreement can be reached or contact made then either legal action will commence or the debt will be referred to an external collection agent (subject to any additional assessment for ASC debts).

For all debts between £250 and £500, where resources allow, attempts will be made to contact the customer by phone to discuss non-payment and make acceptable arrangements for the invoice to be paid, e.g. payment in full, set up a payment schedule. If no agreement can be reached or contact made then the debt will be referred to an external collection agent (subject to any additional assessment for ASC debts). Legal action will only be considered in exceptional circumstances as the cost of the action will quickly outweigh the value of the invoiced debt.

Debts under £250 will be referred to external debt collections agents if they remain unpaid after 34 days.

At all times, the debt team will adopt a fair and reasonable approach towards the customer taking account of their circumstances and ability to pay. Any disputes with customers and/or departments that cannot be resolved by the debt team will be escalated initially to the Credit Control Service Manager for a decision. If agreement cannot be reached then a referral to the LGSS Head of Revenues & Benefits and Council's Chief Finance Officer will be made whose decisions will be final.

Often the threat of action plus the formal nature of the request is sufficient to at least prompt a response from the customer.

### **Securing Debt Arrangements**

- 13.19 Any request to pay by instalments must be referred to the debt team who will contact the debtor to obtain details of their income/expenses and offer. The debt team alone will have the delegated powers to accept or reject any offer made. If the offer is not considered reasonable then they will inform the debtor and try to negotiate a better offer, however they may refer the debt to external collection agencies or for legal action if no better offer is forthcoming.

If a debtor fails to honour an instalment payment they will be contacted and reminded that a missed payment means that the whole of the debt becomes immediately due and normal recovery procedures will be applied.

- 13.20 Where invoices have been raised in the ERP system and the debt is subsequently secured by a charge on a property, the collections team might not chase the debt, subject to sufficient equity being proven. It is essential to have a legal charge over the property and not just a promise of payment

against a future sale, as without a legal charge the team is powerless to enforce payment. The debt team will make the necessary enquiries in conjunction with LGSS Law will ensure any security held is valid.

- 13.21 If notification of a firm/individual going into receivership/liquidation /bankruptcy is received, it should be forwarded to the LGSS debt team who will check for outstanding debts. If there are any and they have already been referred to LGSS Law then the LGSS debt team will call these cases/debts back together with any correspondence from the receivers/liquidators for them to manage appropriately and deal with the receivers/liquidators. If there are outstanding debts that have not been referred to LGSS Law the LGSS debt team will deal with the receiver /liquidators.

### **Debts Referred to External Collection Agents and Legal**

- 13.22 Only debts that have been identified via the debt recovery strategy as viable will be referred to External Collection Agents or LGSS Law to commence action. The debt team will contact the issuing department, if required, for any documentation necessary to complete the submission pack to these Agents and LGSS Law.

If a department wishes to refer a debt that failed the viability test under the debt recovery strategy then it can submit a request detailing the reasons why legal action should be taken to the LGSS Head of Revenues & Benefits for consideration. They will consult with LGSS Law and if the conclusion is that legal action is not appropriate then he will refer the debt back to the originating department. Appeals on decisions will be considered by the Council's Chief Finance Officer whose decision shall be final.

Once the debt has been referred to LGSS Law, the debt team will monitor progress and costs on a monthly basis. LGSS Law will refer general queries to the debt team except where authority to incur additional costs over those anticipated in obtaining judgment is required, in which case they will contact the invoice-issuing department direct.

If at any stage in the process LGSS Law consider there is no prospect of recovery or that it is not cost effective to continue the action they will notify the department and return the debt to the relevant collections team for referral to an outside collection agency or write off.

If LGSS Law agrees an instalment plan with a debtor, then once one payment has been received the debt will be passed back to the relevant collections team to monitor receipt of future agreed instalments.

- 13.23 Legal proceedings result in the Council incurring additional costs. The Council's policy is that the legal costs should be included in the claim against the customer. Any legal costs that are not recovered from the customer will be charged back to the department who originated the invoice.

Any commission costs accrued for recovering debt through the External Collection Agent will be charged centrally on a monthly basis.

### **Enquiries from Customers**

- 13.24 If a customer queries the validity of an invoice with the LGSS debt team then the invoice will be placed on hold and the query referred back to the originating department. If a debtor raises the same type of query directly

with the originating department, the department must immediately notify the relevant debt team so that the invoice may be placed on hold.

Once a query has been raised the originating department must reply to the customer within 5 working days. If the debt team do not hear from the originating department they will assume the query has been resolved and debt collection activity will recommence.

Copies of all correspondence (and details of telephone conversations) must be sent to the debt team weekly as they are responsible for maintaining the debt history and will need to pass all relevant papers, including copies of correspondence, to LGSS Law if the debt is referred.

### **Disputes – Invoices Placed ‘On Hold’**

- 13.25 Where an invoice has been queried and placed on hold the originating department must keep the debt team informed of progress. If the query cannot be answered within the 5 day limit then the originating department must give the relevant debt team an indication of when the query will be settled. The originating department has a maximum of 15 working days from the date of query to resolve the matter.

If the originating department cannot resolve the query within this extended period they must request the invoice remain on hold for a further specified period of time. If no extension has been requested the invoice will be taken off hold and normal debt collection activity will re-commence.

- 13.26 The LGSS Head of Revenues & Benefits can decide to cancel any invoice that is on hold where queries are not being progressed as follows:-
- (a) Debts below £1,000 will be cancelled via credit note and charged back to the originating department
  - (b) Debts above £1,000 or over will be reported monthly to the Council's Head of Finance for review / action

### **Cancelling an Invoice**

- 13.27 Once an invoice has been printed it must not be changed or cancelled. If it is subsequently found to be incorrect a credit note must be raised in the ERP system to either cancel the complete invoice or part thereof. These should be generated by the invoice originating department via the ERP system.
- 13.28 It should be noted that this relates only to those circumstances where the debt, as raised, is incorrect or unsubstantiated. If cancellation is required in other circumstances the invoice must be written off (see the Write Off section for further details). Care should be taken in raising invoices to ensure that the need for cancellations is kept to a minimum.

### **Write Off**

- 13.29 An invoice that remains outstanding after collection action will be subject to a write off process. Authority to write off the debt rests with the collections team subject to the delegated limits detailed below.

### 13.30 Delegation for Write Off

Following appropriate consultation with senior officers in the departments that own debt, write-offs shall be processed by the collections team in line with these delegation levels:

#### Debts over £25,000

Debts over £25,000 will be reported to the respective Committee or Cabinet. The LGSS Head of Revenues & Benefits will prepare details of any such debts for the Chief Finance Officer to seek authority of the respective Committee or Cabinet to Write Off.

#### Debts £500 to £25,000

Each month the LGSS Head of Revenues & Benefits will prepare schedules by department of debt recommended for write off for authorisation by the Chief Finance Officer. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted and confirmation from a departmental senior officer from the service area to the write off.

#### Debts below £500

Each month the LGSS Debt Team Manager will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Service Manager. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted.

- 13.31 The Finance Business Partners in each department will be provided a copy of the appropriate schedules for information, of those debts to be written off.
- 13.32 Write Offs will be charged in accordance with the Write Off Accounting Policy as determined by the Chief Finance Officer. The current policy will be to write off back to the original invoice or equivalent codes irrespective of the financial year the invoice was raised in.
- 13.33 If payment is received after an account is written off the write off will be reversed (up to the value of the receipt) and the cash applied to the original account within the ERP system providing this occurs within the same financial year. If this occurs in a subsequent financial year the payment will be considered a fortuitous gain and no reversing entries will be undertaken in the ERP system.
- 13.34 The full Debt Policy, including the Collections Process, can be found in the LGSS Collections Policy.

## **14.0 AUDIT**

- 14.1 To comply with the Accounts and Audit Regulations (2015) the Council must ensure that it has a sound system of internal control that helps it perform its functions and achieve its aims and objectives; ensures the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
- 14.2 Under the Scheme of Delegation, the Chief Internal Auditor shall:
- (a) maintain an adequate and effective internal audit of all the activities of the Council.

- (b) have authority to visit all Services/Corporate Directorates, establishments and Trading Units of the Council and have a right of access, at all times, to such documents, other records, computer systems, and Council property as appear to him / her necessary for the purpose of the audit.
  - (c) be entitled to require from any officer such information and explanation as he / she thinks necessary to satisfy himself / herself on any matter.
- 14.3 Each Executive Director or Director shall bring immediately to the notice of the Chief Internal Auditor and/or Chief Finance Officer any suspected or apparent financial irregularity affecting the Council. If the irregularity is confirmed, the Chief Executive shall be advised.
- 14.4 Internal Audit shall examine arrangements to ensure standards of internal control are adequate.
- 14.5 Attention is drawn to the statutory role of the Council's external auditors, which involves the same rights of access and entitlement as those set out for Internal Audit in Regulation 13.1.

## **15.0 RISK MANAGEMENT AND INSURANCE**

### **Strategy**

- 15.1 The Chief Internal Auditor has delegated powers to establish and maintain a systematic strategy, framework and processes for managing risk. Part of the strategy is to identify the risks facing the organisation and analyse what types of protection are required to manage adverse risks.
- 15.2 Effecting insurance is one element of that strategy for the limited range of risks, including damage to assets and potential civil liability, which can be underwritten by insurance policies and give a measure of financial protection.
- 15.3 This strategy does not obviate the need for each Executive Director or Director to manage all forms of business and operational risk in connection with the running of their services and activities.

### **Insurance Programme**

- 15.4 The Head of Procurement in consultation with the Chief Finance Officer, has delegated powers on behalf of all services to effect and manage insurance cover for specific risks and to decide what is the most appropriate package of internal (self-funded) and external insurance. This statement must be qualified by noting that School Governing Bodies are able to exercise choice over how they purchase insurance (subject to meeting minimum standards and limits of indemnity laid down by the Council) and are not bound to remain within the centrally arranged insurance policies or self-funded provisions if they wish to effect separate arrangements. The County Council's rights and interests must be named on all insurance policies held, irrespective of who has made the original arrangements.
- 15.5 For centrally arranged policies, the Head of Procurement is responsible for preparing specifications, obtaining quotations, procuring cover, negotiating claims and maintaining the necessary records in line with the insurance

strategy and for ensuring that the contracting process is conducted in accordance with the prescribed requirements.

- 15.6 The Head of Procurement or his / her nominee shall make contractual arrangements with specialist advisers, including insurance brokers, financial actuaries, loss adjusters, solicitors and insurance companies as necessary in respect of all insurance matters involving the centrally arranged policies and self-funded arrangements.
- 15.7 The Head of Procurement shall keep a register of all insurance policies held and a full record of what property and risks are covered thereby.
- 15.8 A brief statement of the main policies taken out by the Council is given below. A Budget Holder must contact LGSS Insurance if he / she thinks additional cover may be required. This will help protect the council from the risk of buying insurances that are unnecessary, too costly, not with the insurers who are appropriate, and avoid duplication of existing insurance arrangements.

Centrally arranged policies are: -

- (a) Fire and associated risks for all buildings which the Council owns, or for which it has accepted legal responsibility by way of a lease or licence.
- (b) All public and employers' liabilities, including libel and slander, professional indemnity, officials' indemnity and land charges.
- (c) Personal accident cover for risk of assault on employees of the County Council and for injury to Council Members and authorised volunteers.
- (d) Motor vehicles – comprehensive cover on all County Council vehicles, together with contingent liability cover for use of privately owned vehicles used on official business.
- (e) Pecuniary loss (money, fidelity guarantee and cheques indemnity).
- (f) Costs of reinstatement and recovery of ICT infrastructure and systems.

The Insurance Manager should be contacted at

[insurance@cambridgeshire.gov.uk](mailto:insurance@cambridgeshire.gov.uk)

if further details are required such as the actual policy number, name of the current underwriters or any other information on the scope of cover or policy terms and conditions.

- 15.9 Enquiries about insurance matters must be channelled through the Insurance Section which can provide all necessary advice.

**Record of equipment subject to inspection**

- 15.10 Each Executive Director and Director shall maintain suitable systems to record engineering plant and lifting equipment, which is subject to statutory inspection by an insurance company or other approved contractor, and for monitoring that inspection is carried out in the periods prescribed.

**Notification of Changes of Risk**

- 15.11 Each Budget Holder shall give prompt notification to the Insurance Manager of all new risks, property, vehicles and other assets or contractual obligations which require to be insured and alterations that may affect existing insured

risks (including closure of buildings, sale of vehicles or disposals of other insured assets).

- 15.12 Where any contracts or partnership agreements are under negotiation with external bodies for services to be provided, Budget Holders must ensure that the potential risk exposure is analysed and suitable clauses included to apportion risk appropriately between the contracting parties involved, Advice must be sought on the appropriate levels of indemnity and type of risks to be insured. Some information is provided in The Purchasing Guide. The advice of the Director of Legal and Governance Services should be sought to ensure that these issues have been addressed correctly before any contract is signed.
- 15.13 Provision of indemnities which may assume legal liability for the actions of another party must not be accepted without full consultation with the Council's legal advisers and if accepted must also be notified to LGSS Insurance.

#### **Reporting of incidents, losses and potential claims**

- 15.14 Budget Holders must make a written report of any event, loss, liability or damage that may result in an insurance claim and give full and timely assistance with the conduct of any investigation that may follow. Advice must be sought immediately from LGSS Insurance if there is a suspicion that a civil legal action is in prospect.
- 15.15 Civil procedure rules and protocols must be strictly adhered to in order to avoid cost penalties or unnecessary litigation expenses. Employees and other persons must not attempt to negotiate a settlement, give interviews, make statements or offer to pay compensation in any way that may prejudice any civil legal action that may be brought against the Council subsequently.
- 15.16 The same incident may lead to an investigation for an alleged breach of or failure to comply with some part of the Health and Safety at Work Act and the regulations made hereunder.

#### **Use of motor vehicles**

- 15.17 All workers using their own private vehicles on behalf of the Council shall maintain appropriate insurance cover for business use.
- 15.18 The Council has access to a stock of pool cars, which are available to all employees. Please refer to the [Pool Car](#) guidance notes for further information.

### **16.0 INTERNAL CONTROLS / ASSURANCE AND POWERS**

- 16.1 Under [Article 11](#) of the Constitution (contained within Part 2 – Articles of the Constitution) the Director of Legal and Governance Services is designated as the 'Monitoring Officer' whose functions include:
- (a) Ensuring lawfulness and fairness of decision making in consultation with the Head of Paid Service (Chief Executive) and Chief Finance Officer.
  - (b) Advising whether decisions are within budget and policy framework.

- (c) Provide advice on the scope of powers and authority to take decisions, including matters of financial impropriety and probity.

## **17.0 PURCHASING OF GOODS / WORKS / SERVICES IN ERP GOLD**

### **Introduction**

- 17.1 The County Council is a major purchaser of goods, works and services. It is at the point of ordering that the County Council is committing expenditure. Therefore the relevant Budget Holder must ensure that:

- (a) all orders are completed properly and appropriately authorised
- (b) the extent of the commitment is known
- (c) budgets are not exceeded without appropriate authority
- (d) only goods / works / services as ordered and received are receipted on ERP Gold
- (e) purchases are lawful (i.e. within the powers of the County Council)
- (f) purchases are only made for County Council purposes - workers are not permitted to use County Council orders for private purchases.
- (g) value for money is obtained, with [Contract Procedure Rules](#) being strictly adhered to.

*Note that the financial regulations 17.2 to 17.24 set out below apply to all employees of the County Council.*

*Where an agency / partnership arrangement exists such that there is an approved business case to allow a third party to exercise financial control on behalf of the County Council, the same principles detailed here apply, however a series of limitations as to their permitted responsibilities must be applied, and can be found [here](#).*

*All proposals for such arrangements must be agreed by the Chief Finance Officer, and advice sought from Internal Audit and the Legal Section, as appropriate.*

### **Overview of the Business Rules Underlying the Use of ERP Gold**

- 17.2 ERP Gold allows for the electronic processing and authorisation of transactions relating to the purchase of goods / works / services.
- 17.3 ERP Gold also enables a set of control rules to enforce separation of duties in the purchasing of goods/works/services.
- 17.4 For purchasing goods / work / services in ERP Gold, three roles are required:
- (a) Requisitioner
  - (b) Approver
  - (c) Goods Receipter
- 17.5 The above roles are set in ERP Gold through the configuration of user profiles and responsibilities, linked to each user's personal identification (ID). To provide separation of duties within ERP Gold, the profiles and

responsibilities are set such that the Requisitioner cannot also be the Approver.

- 17.6 To ensure the appropriate authorisation of goods / works / services and that an adequate separation of duties is maintained, *workers must not in any circumstances share their ERP Gold password, nor give other users the opportunity to log on under their ID.*
- 17.7 ERP Gold operates such that if the goods / work / services recorded as received agree to those ordered per ERP Gold, and the invoice subsequently matches the details already recorded on ERP Gold, the invoice will be processed for payment, without further pre-payment check and authorisation by the Budget Holder.
- 17.8 Therefore, the Budget Holder must ensure that an ERP Gold purchase requisition is completed and authorised for all purchases made (except where a Government Procurement Card is being used and in specific areas approved by the Chief Finance Officer), and the receipt of those goods / works / services must be recorded on ERP Gold.
- 17.9 Once a purchase requisition has been approved, the transaction is processed as an ERP Gold order, and the order issued to the supplier. The Budget Holder is not required to print the order and add a manual signature.

### Approval Limits

- 17.10 Maximum authorisation limits for employees are linked to the individual's job role, rather than the individual. This ensures that users do not carry access to new jobs.
- 17.11 The maximum authorisation limits are set across the organisational structure:

Transaction Type	Budget Manager (Project Manager for Capital)  TIER4	Head of Service  TIER3	Service Director/ Assistant Director  TIER2
<b>Standard</b> approval limits for procurement of goods, services, grants and benefits	Up to £200k	Up to £500k	Up to £1m

Authorisation of spend on packages of care within ERP Gold paid through the Mosaic system will be on the basis of need as identified in a social care assessment, the cost of which will be determined by the assessment and the best value care that can be sourced. This will be processed for payment by finance officers within the service unless the care package is exceptionally high in which case it will be further authorised by social work and commissioning managers in care panels in line with the separate Scheme for Approving Care Package Expenditure in Mosaic ([Appendix I](#)).

- 17.12 Enhanced Approval levels

Transaction Type	Budget Manager (Proj Mgr for Capital)	Head of Service	Service Director/ Assistant Director
	TIER4	TIER3	TIER2
<b>Enhanced</b> Order limits for specific business areas such as capital, waste etc.	Up to £1m	Up to £5m	Up to £7m

If an employee requires an approval limit higher than the standard limit allowed for their tier in the ERP Gold hierarchy because the value of orders they regularly need to approve exceeds the limit set out in 17.11 above, then this will need to be requested via their financial adviser and signed off by the Head of Finance as an exception. Enhanced Approval levels should not be requested so as to approve one-off invoices. If a single invoice exceeds the approval limit of the officer who normally approves invoices on that budget code, then approval should be sought from an officer in a higher authorisation band.

### **Raising Orders For Goods / Work / Services**

- 17.13 Approved County Council suppliers must be used for all purchases made. Where no approved supplier can provide the goods / works / services, the Budget Holder must submit a formal application to Accounts Payable for approval, before the goods / works / services are ordered.
- 17.14 The County Council's [Contract Procedure Rules](#) must be followed in respect of all purchases. The Council has decided that all contracts must be in writing or placed using ERP Gold or a Government Procurement Card.
- 17.15 The Budget Holder must authorise all orders raised. (When planning to be on leave Budget Holders should request a substitute Budget Holder via Let's Go Direct; this must be a post-holder with a role higher up the ERP Gold Tier Hierarchy, see [31.4](#).)

### **Receipting of Goods / Work / Services**

- 17.16 Goods / works / services when received must be receipted (GRN) as such on ERP Gold.
- 17.17 Wherever possible, the officer recorded in the system as receipting the goods or services should be the person who actually verified them.
- 17.18 However, in all cases the officer recorded in the system as having receipted the goods / works / services is responsible for ensuring that they are receipted on ERP Gold only where they have been physically received or carried out and examined as to quantity and quality, as ordered. Whenever practical the receipter should not rely on verbal assurances from another officer.

### **Variations between Orders and Goods / Works / Services Received**

- 17.19 Where the goods / works / services received vary to that originally ordered, and this exceeds the agreed tolerance threshold, the Budget Holder must authorise the additional amount before the invoice can be paid. If the Budget Holder disputes the difference from the original order they must reject the

tolerance in ERP Gold. The Budget Holder must liaise with the supplier to agree a resolution, and update Accounts Payable on the invoice dispute.

- 17.20 Budget Holders should regularly review their list of open purchase orders and close off any that are no longer required. Guidance on purchase order maintenance can be found [here](#).

### **Payment of Accounts**

- 17.21 The County Council is liable for payment of interest where invoices are not paid within 30 days of receipt or per the supplier's payment terms.
- 17.22 To reduce the delays in the processing and payment of invoices, ensure that invoices are submitted electronically wherever possible; invoices received directly from a supplier should be forwarded promptly to [ccc.invoices@lgss.co.uk](mailto:ccc.invoices@lgss.co.uk). Further information on how suppliers can submit their invoices can be found [here](#).
- 17.23 Where postal invoices are received in respect of orders raised in ERP Gold, these will be date-stamped on the date of receipt by Accounts Payable and registered by Accounts Payable.
- 17.24 The requirements of the Sub Contractors – Construction Industry Tax Scheme must be complied with.

## **18.0 PERSONAL EMPLOYEE EXPENSES**

- 18.1 The County Council has a responsibility to provide HMRC with details of all benefits in kind provided or expenses reimbursed to its employees, and must ensure that National Insurance contributions are collected on all qualifying expenditure.
- 18.2 The Council uses a Mileage and Expenses E-Form, which allows employees to submit their expense claims electronically for their line manager's approval.
- 18.3 Employees need to submit their mileage and expenses e-form claims on a monthly basis. Employees must submit their expenses claim within a 2 month timeframe from the claim date. An employee must allow enough time for his/her manager to approve the e-form before the submission deadline.
- 18.4 The Budget Holder is responsible for:
- (a) Ensuring that payments are only made to bona fide employees who are eligible to receive payments at that time according to current rules laid down by the County Council.
  - (b) Ensuring that payments are in accordance with current rates.
  - (c) Making prompt, complete and accurate returns (P11D) to Employee Benefits in LGSS, of information needed for returns to HMRC such as cars provided to employees outside a normal lease car scheme, telephones, living accommodation etc., and any other possible taxable benefits.

- 18.5 All claims for reimbursement of expenditure by individuals must be processed via the e-form system and not via imprest, petty cash or bank accounts.
- 18.6 The approving manager needs to see the receipts before approving any e-form claim. All receipts need to be stored locally, by month (these will be required in the event of an HMRC Inspection). All receipts need to be stored for 6 years. If a manager leaves they must ensure that stored receipts are handed over to the new manager.
- 18.7 Further guidance can be found [here](#).

## **19.0 PAYROLL**

- 19.1 It is the legal duty of the HR Director to make proper arrangements for the operation of PAYE and National Insurance procedures for all employees, including relief, fixed term and part time employees.
- 19.2 The Council's payroll service is responsible for processing temporary data, administration and validation of the payroll run, production of payslips, P60's, cheques, BACS and production of a costing file for interface to the general ledger. Payroll also supply information to various statutory bodies including HMRC and act as the first point of contact in dealing with payroll queries.
- 19.3 The County Council operates a shared payroll service provided by LGSS, within which is a Payroll Services Manager to monitor payroll and work with the HR, Pensions and Finance Units to ensure high quality service delivery.
- 19.4 The rules for determining whether an individual is treated as an employee or as self-employed for tax purposes are complex, and there are severe penalties for failing to deduct tax where it is due. Budget holders should refer to detailed guidance available on the HR web pages of the intranet including on [Consultants and Interims](#). Advice on determining an interim or consultant's legal status is available via the HR Advisory Team. Full details are given in the Consultants and Interims policy
- 19.5 It is the Budget Holder's responsibility to ensure that: -
  - (a) Payments are correct, authorised and accounted for properly.
  - (b) Payments are made only to bona-fide employees of the Authority and to valid beneficiaries of the Pension and Compensation Schemes.
  - (c) Allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them.
  - (d) Payments are lawful (i.e. within the powers of the County Council).
  - (e) Payments are within budget.
  - (f) Changes in terms of employment and requests for payment are notified to HR or Payroll (as applicable) at the due time in accordance with the [payrun schedule](#).

- 19.6 The Budget Holder must ensure that the appointment of all employees is in accordance with the policies of the Council, at the approved grades and rates of pay (see [Recruitment](#)).
- 19.7 No officer may authorise any notification to HR or Payroll concerning amendments to his / her own pay.
- 19.8 The Council's HR service must be notified as soon as possible, using either the [Employee Change](#), [Employee Leaver](#) or [Establishment](#) form, of all matters affecting payroll payments, such as appointments, dismissals, resignations and retirements, or any other change of circumstances affecting remuneration.
- 19.9 The Budget Holder must ensure that Payroll is forwarded correctly completed timesheets / claims for payment of at the due time. Particular attention should be paid to entering the correct employee assignment number to ensure not only that the correct record is paid (and costed accurately) but that payment is statutory compliant in respect of Income Tax and National Insurance deductions.
- 19.10 All documents sent to Payroll should identify clearly to whom they relate, i.e. by showing the name, payroll reference number and/or job title and place of work.
- 19.11 The Council will seek to avoid under/over payment of salary. However, where this may occur please refer to the Payroll Corrections Policy.

## **20.0 GRANTS**

- 20.1 Grant claim forms should be completed in accordance with claim instructions.
- 20.2 Claims should be signed in accordance with claim instructions. However, the authority of the Chief Finance Officer to sign grant claims is delegated to the Strategic Finance Managers.
- 20.3 The Chief Internal Auditor should be notified in advance of any grant claim being submitted where there is a requirement for an audit of the expenditure.
- 20.4 Budget Holders should advise their relevant Finance Team of any competitive grant applications submitted.
- 20.5 On receiving notification from the funding provider that an application has been successful, the Budget Holder must notify their Finance Team of the forthcoming income.
- 20.6 It is the Budget Holder's responsibility to ensure that a specific budget code is assigned to the income.
- 20.7 The Budget Holder must also check that the amount awarded matches the amount that was applied for by referring to the copy of the application that has been retained on file by the budget holder.
- 20.8 The [Grants to External Organisations Policy](#) covers the Council's regulations around the offering, acceptance, and monitoring of local grants to external organisations. Budget Holders involved in awarding grants or monitoring grant usage should ensure they are familiar with this policy.

**21.0 INCOME**

- 21.1 It is the Budget Holder's responsibility to ensure that procedures for the collection or invoicing of income due are operating such that:
- (a) All income due is identified and accounted for properly.
  - (b) Invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided. Invoices should be raised using ERP Gold, or where ERP Gold is not available, the Accounts Receivable Team must be notified.
  - (c) All monies received are brought into account promptly, correctly, accurately and completely.
  - (d) All income collected is held securely, banked promptly and intact.
  - (e) VAT is accounted for correctly. (For further information, see [VAT Basics Guide](#)).
  - (f) Instruction to cancel an invoice must be completed on ERP Gold by the Budget Holder.
  - (g) Invoice write-offs must follow the procedures in [13.29 - 13.33](#) of the Scheme of Financial Management.
- 21.2 Employees should be aware of the [Council's Anti-Money Laundering Policy](#). This applies particularly to employees regularly handling cash. The Money Laundering Reporting Officer should be contacted in accordance with this Policy if a money-laundering activity is known or suspected. The County Council will not accept settlement in cash of any transaction above the value of €15,000 equivalent (approximately £10,000).
- 21.3 All monies received must be receipted on an official County Council paying-in book or otherwise adequately recorded at the time of receipt.
- 21.4 Where the Unit has access to ERP Gold, all income received must be recorded via an entry on ERP Gold to ensure that funds are allocated appropriately. Where ERP Gold is not available, the Accounts Receivable Team must be notified of receipt of funds.
- 21.5 Each Officer responsible for paying money into a bank account must enter onto the copy paying-in slip sufficient information to identify each transaction including the amount of the cheque and a reference (such as receipt number or debtor name) to connect the cheque with the service provided. On the back of each cheque the Officer should enter sufficient detail (i.e. cost centre) to identify the Department or establishment.
- 21.6 On handing cash over to another person, all employees should ensure that they receive a suitable formal acknowledgement such as a receipt.
- 21.7 To ensure adequate separation of duties within the cash collection and banking process, different people should undertake the following activities:
- (a) collecting or receiving money;
  - (b) recording and banking receipts;

- (c) reviewing and reconciling receipts to cash banked; this must be a different person from the persons carrying out (a) and (b);
- (d) authorisation of debt write offs; this must be a different person from the persons carrying out (a) and (b);
- (e) custody of saleable stock and materials.

## **22.0 CASH SECURITY**

- 22.1 All Officers involved in cash handling have a duty to ensure that practice and procedures properly safeguard cash holdings in their possession, but not at any risk to their own person.
- 22.2 Budget Holders must ensure that written procedures exist covering the aspects of cash security covered below, and what action workers are to take in emergencies, e.g. attempted theft; fire alarms etc.
- 22.3 Budget Holders must ensure that adequate arrangements are made to safeguard monies pending banking. Such arrangements include:
  - (a) Use of locked cashboxes held in a safe or locked drawer or cabinet.
  - (b) Restricted access to the keys for the above.
  - (c) Locking cash away when unattended.
  - (d) Not counting cash or accessing the safe etc. in view of visitors and members of the public.
  - (e) Where large amounts are collected, considering the physical security of the cashier's office (e.g. access arrangements to the cashiers area; screens; alarm systems etc).
- 22.4 Budget Holders must ensure that banking arrangements minimise monies held, do not exceed insurance levels and minimise the risk to staff undertaking the bankings. Such arrangements include:
  - (a) Measures to minimise actual cash (e.g. use of cheques and debit / credit cards).
  - (b) Regular bankings, at least weekly, and daily whenever cash exceeds £5,000.
  - (c) Use of night safe facilities when banks are not open.
  - (d) Varying the timing and route of visits to the bank, and the staff undertaking the bankings.
  - (e) Not utilising conspicuous bags etc. to transport monies.
  - (f) Use of security services for cash sums in excess of £5,000.
  - (g) Budget Holders must not allow levels of cash held to exceed the maximum permitted limits (£5,000) set under the insurance policy for monies held in a safe during working hours and overnight.

## **23.0 IMPREST ACCOUNTS**

- 23.1 Imprest Bank Accounts are used for items of expenditure for which it is not practical/cost-effective to pay through the normal payments system.

Generally, such payments will be small in value, or one-off purchases. Payments to regular suppliers should be made through ERP Gold or local Bank Accounts (Schools only). The Council requires that Imprest Accounts should be held at an absolute minimum. Government Procurement Cards ([see Financial Regulation 24](#)) must be used where an establishment regularly purchases individual items with a value of less than £50.

23.2 The Budget Holder (account holder) is responsible for ensuring that:

- (a) Imprest cash and chequebooks are safeguarded from theft and misuse, that access is restricted, and that they are locked away when not in use.
- (b) Expenditure incurred through Imprest accounts is bona-fide, lawful and in accordance with the requirements of the service.
- (c) Expenditure is within budget limits.
- (d) There are adequate procedural notes specifying the respective responsibilities of staff involved in the operation of the Imprest Account.

The Payables Team, within LGSS, will monitor the use of Imprest Accounts.

23.3 The opening of Imprest Accounts must be authorised in accordance with the [Scheme of Operation](#) approved by the Chief Finance Officer. The Payables Team must be notified of any wish to close, amend or transfer an Imprest Account.

### **Inappropriate Expenditure**

23.4 The following expenditure must not be made through Imprest Accounts:

- (a) Payment of salaries or wages to employees or payments which could be considered as such by HMRC e.g. honoraria.
- (b) Payments to contractors in the Construction Industry (for more information, see Subcontractors – Construction Industry Tax Deduction Scheme).
- (c) Payment of any expenses to County Council employees.
- (d) Payment for items which can be acquired using a [Government Procurement Card](#) (see [GPC User Guide](#)).
- (e) Payment of cash to 'casual' workers or young people.
- (f) Payments or rewards to employees that are unacceptable e.g. paying for an employee's retirement do.

### **Supporting Documentation**

23.5 Claims must be submitted and approved via ERP Gold. They should be submitted sufficiently regularly to ensure the account does not become overdrawn (normally at least monthly).

23.6 Claims must be supported by adequate documentation to support the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:

- (a) The reason for / details of the expenditure
- (b) Date expenditure was incurred
- (c) Amount of expenditure
- (d) Signature of person incurring the expenditure.
- (e) Where expenditure incurred is large (over £30), a second member of staff must sign the supporting documentation.

23.7 Wherever possible the supporting documentation must be a VAT invoice / receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

### **Separation of Duties**

23.8 There must be a separation of duties between the persons:

- (a) Operating the Imprest and preparing the claim and reconciliation statement (signing the "Prepared By" statement)
- (b) Signing the certification statement on the claim

23.9 The person operating the Imprest and preparing the claim and reconciliation must not be a cheque signatory.

23.10 The person signing the claim certification statement is responsible for:

- (a) Checking that the documentation supporting the claim is complete and satisfactory.
- (b) Checking that the claim and reconciliation statement is correct both in principle and arithmetically.
- (c) Physically checking the figures in the reconciliation statement, e.g. verify the accuracy of the cheques outstanding figure and the bank balance.
- (d) Counting cash in hand, and ensuring it agrees to the amount entered on the claim.

23.11 Reimbursement of claims will normally be made direct to the Bank, the amount being notified to the Account Holder. No other monies are to be paid into the imprest account.

### **Imprest Levels**

23.12 The Imprest Account must never go overdrawn. Any overdrawn accounts will be immediately referred to the Budget Holder, who must take the necessary remedial action. Government Procurement Cards should be used to ensure expenditure does not exceed Imprest levels.

23.13 Imprest Account levels should be monitored to ensure that they continue to provide sufficient funds to cover approximately 8 weeks average Imprest expenditure. Services/Corporate Directorates should specify procedures for approving Imprest levels. Temporary increases can be obtained to cover anticipated periods of exceptional expenditure.

23.14 Further guidance can be found [here](#).

## **24.0 GOVERNMENT PROCUREMENT CARDS**

- 24.1 Government Procurement Cards are to be used for items of expenditure for which it is not practical / cost-effective to pay through ERP Gold. Generally, such payments will be under £50, or one-off purchases, or where it is inefficient to raise an order and pay an invoice (e.g. conference fees, books, subscriptions, rail travel).
- 24.2 Each Government Procurement Card is assigned to an individual cardholder who has personal responsibility for its proper operation, in accordance with this Regulation.
- 24.3 The Budget Holder is responsible for ensuring that all staff assigned a Government Procurement Card are operating procedures such that
- (a) Cards are safeguarded from theft and misuse.
  - (b) Expenditure incurred through the use of Government Procurement Cards is bona-fide, lawful and in accordance with the requirements of the service.
  - (c) Expenditure is within budget limits.
- 24.4 All cardholders must use their Government Procurement Card in accordance with the requirements laid down in the [GPC User Guide](#). The Accounts Payable team will monitor the use of Government Procurement Cards to ensure that the requirements are adhered to.
- 24.5 The allocation of Government Procurement Cards must be authorised by the Budget Holder and sanctioned by the Payables Manager. Transaction limits and monthly credit limits for each card must be approved by the Payables Manager.

### **Supporting Documentation**

- 24.6 A transaction log must be maintained by all cardholders.
- 24.7 The Budget Holder is responsible for checking the transaction logs to the statement and authorising that the payments are within budget and lawful.
- 24.8 All expenditure must be supported by adequate documentation to substantiate the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:
- (a) The reason for and details of the expenditure
  - (b) Date expenditure was incurred
  - (c) Amount of expenditure
- 24.9 Wherever possible the supporting documentation should be a VAT invoice/receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

## **25.0 STOCKS AND STORES**

25.1 The County Council holds stocks and stores of some items needed on a day-to-day basis.

- (a) The Budget Holder is responsible for ensuring that adequate procedures and financial controls are in place to ensure the appropriate use of these assets, such that
- (b) Records and procedures are sufficient to identify transactions and the volume and value of all usable stocks / stores held.
- (c) Stocks and stores are properly secured.
- (d) Best value is obtained in the provision of stocks and stores

### **Stocks/Stores Records**

25.2 The minimum stock records that must be maintained (whether manual or computerised) are:-

- |                                       |  |
|---------------------------------------|--|
| i. Stock Item No. (if applicable)     | ii. Stock description                                  |
| iii. Issues – Date and Quantity       | iv. Details of who the stock issued by                 |
| v. Details of who the stock issued to | vi. Receipts – Date and Quantity                       |
| vii. Returns – Date and Quantity      | viii. Recommended order quantities to replenish stocks |
| ix. Orders outstanding                |  |

25.3 The receipt and issue of all stocks and stores should be adequately authorised and recorded promptly.

25.4 Records should value stocks / stores following the Council's Accounting Policy, which requires that stocks be valued at the lower of cost or net realisable value.

### **Security**

25.5 Stocks and stores (and stores records) should be held securely, properly insured and access should be restricted to authorised staff.

### **Stock Checks**

25.6 A systematic approach to stock checking must be taken, including completing an independent physical count of stocks at least once a year. During the year, storekeepers should check stocks held to stock records on a regular basis. Results of stock checks and records of all adjustments should be maintained for inspection by Internal Audit.

25.7 Where Stock Accounts are maintained in ERP Gold, a Stock Certificate ([see Appendix G](#)) and a Stock Template (see the [Closedown intranet page](#)) must be completed at the end of each financial year and returned to the appropriate Finance Team.

### **Authorisation and Approval**

- 25.8 Orders should be completed in accordance with the Financial Regulation on the purchasing of goods / works / services.
- 25.9 Separate people should carry out the three elements of stores management, i.e.:
- (a) authorisation (of orders to replenish stocks, write offs, or stock usage)
  - (b) custody of stocks/stores and record keeping
  - (c) checking stocks to records
- 25.10 Where, as a result of a stock check, a deficiency is identified, amounts of up to £5,000 may be written off by the Chief Finance Officer. Where the adjustment is greater than £5,000 it must be approved by the General Purposes Committee in accordance with the Constitution. Full records of all adjustments must be retained for audit inspection.

### **Best Value**

- 25.11 In general, stocks / stores should be maintained at minimum levels consistent with operational requirements.
- 25.12 Order quantities should be calculated to obtain economies in purchasing consistent with minimising investments in stocks as in 25.11
- 25.13 Where stocks have a limited shelf life or are liable to obsolescence, stores should be used on a first in first out basis.
- 25.14 Disposal of surplus or obsolete stocks / stores must be undertaken in accordance with the County Council's [Contract Procedure Rules](#).
- 25.15 Indicators of stores performance must be kept to provide information on effective stock management:-
- (a) Value of stock by type of stock and total value
  - (b) Results of physical counts
  - (c) Surpluses and deficiencies between physical and recorded stock balances
  - (d) Out of stock situations
  - (e) Stock turnover ratios
  - (f) Excessive and / or slow moving stocks
  - (g) Items written off and the reasons for write-off
  - (h) Disposals of equipment
  - (i) Frauds, theft discovering, and attempted security violations

## **26.0 SECURITY OF ASSETS**

- 26.1 This Regulation applies to all assets (owned or leased), which cost more than £500 and to all portable and attractive items owned by the Authority.
- 26.2 Budget Holders are responsible for ensuring that:

- 26.3 Proper security is maintained at all times for all buildings, furniture, plant, equipment, vehicles, stores, stocks, cash etc. under their control. They should also aim to achieve maximum utilisation of such assets in the provision of services.
- 26.4 Appropriate inventory records are maintained, in accordance with the instructions in [Appendix F](#).
- 26.5 Surplus or obsolete materials, stores or equipment are disposed of in accordance with the County Council's [Contract Procedure Rules](#).
- 26.6 Inventory records should ordinarily be maintained using the standard County Council Inventory Book, obtainable from Facilities Management. Any alternative method of recording inventories must be approved by Internal Audit.
- 26.7 Registers of key holders for buildings, safes etc. should be maintained. Keys should be issued to as few people as possible.
- 26.8 The Chief Finance Officer shall maintain a register of all properties held by the Authority, showing the purpose for which the property is held, the location, extent and plan reference, purchase details and the nature of the interest.
- 26.9 The Chief Finance Officer shall arrange for the safe custody of title deeds in respect of land and properties.

## **27.0 INFORMATION MANAGEMENT SECURITY**

- 27.1 The County Council's [Information Management Policy Framework](#) must be followed.

## **28.0 FRAUD AND CORRUPTION**

- 28.1 The County Council is committed to the elimination of fraud and corruption and is determined to protect itself from such unlawful activities, whether they are attempted from within or by an outside individual, group or organisation. The County Council's [Anti Fraud and Corruption Policy](#) must be followed.

## **29.0 WHISTLEBLOWING**

- 29.1 The County Council is committed to the highest possible standard of operation, probity and accountability, and recognises that its workers are often the first to realise that there may be something wrong within the Council. Please follow the [Whistleblowing Procedure](#), rather than ignore the concern.

## **30.0 AUDIT REPORTING AND ESCALATION PROTOCOL**

- 30.1 Audit Managers are responsible for ensuring that draft audit reports are issued within a maximum of 4 weeks of completion of the audit fieldwork. Recipients of audit reports are responsible for responding in writing to the factual accuracy of the draft report and providing a satisfactory response to

recommendations within 4 weeks of issue. Reminders to draft reports are issued after 4 weeks. Final audit reports will be issued incorporating the management response within 2 weeks of receipt. For expediency, email is the preferred form of communication.

- 30.2 Where material recommendations are not accepted or no response is received within the timeframes specified, the Audit Manager will discuss with the client and, if still no acceptance or response, will report to the relevant Director.
- 30.3 If a satisfactory response is not received after referral at 29.2 above, the Audit Manager reports to the Chief Internal Auditor who decides on further action. (This may involve reporting to the Chief Finance Officer with recommendations for further action).
- 30.4 Where responses to draft reports have not been received within 2 months, this will be reported to the Audit and Accounts Committee.
- 30.5 Timescales will be accelerated where there is significant risk of material loss or error or where particularly sensitive or contentious issues are involved.
- 30.6 Audit Managers are responsible for bringing to the attention of the Chief Internal Auditor, significant audit findings and sensitive or contentious issues.
- 30.7 The Chief Internal Auditor briefs the Chief Finance Officer monthly on audit issues and findings. The Chief Internal Auditor is responsible for deciding on those issues sufficiently important to bring to the attention of the Chief Finance Officer between these meetings.
- 30.8 The Chief Internal Auditor is responsible for identifying and reporting major issues to the Chief Finance Officer and appropriate Corporate Leadership Team members.
- 30.9 A periodic 'audit issues' report is presented to the Audit and Accounts Committee. Between meetings of the Committee the Chief Internal Auditor is responsible for reporting major issues to the Chairman of the Committee.
- 30.10 Follow-up audits have been introduced to ensure proper implementation of audit recommendations where major weaknesses in systems have been identified. Progress on the implementation of recommendations is reported periodically to the Audit and Accounts Committee.

### **31.0 FINANCE MANAGEMENT ARRANGEMENT FOR SERVICES**

#### **31.1 SERVICE MANAGEMENT TEAMS**

- 31.1.1 Collectively, Service Management Teams have a responsibility to ensure the right climate for financial management to meet their objectives. A crucial element of this is striking a balance between keeping control of the Office's overall position whilst giving individual managers the responsibility and managerial freedom to take decisions themselves.
- 31.1.2 Service Management Teams need to recognise that all Directorates within the Service make a vital contribution to the achievement of the Service Plan and key objectives. In determining annual budget cash limits, and allocating either budget cuts or new resources, the Service Management Team will

seek to ensure, within the context of the political decision making process, a fair distribution of resources between Directorates. The framework within which this principle of budget allocation will apply is the Business Planning (BP) process.

31.1.3 Service Management Teams will receive a monthly Finance & Performance Report from their Strategic Finance Manager throughout the year (except for April) setting out the latest position and including (from May) an updated outturn projection for the Service. This will be based on the information from the ERP Gold system as adjusted for any additional information available. It is a Service Management Team responsibility to monitor spending against the cash limits approved by Full Council. Other management teams throughout the Service should also consider such reports on a regular basis.

31.1.4 Each Service shall, at all times, endeavour to secure best value for money and shall:

- a) establish, wherever possible, cost targets and performance measures for its various services and functions;
- b) establish sound arrangements for the planning, appraisal, authorisation and control of its resources and ensure that these are working properly in order to achieve economy, efficiency, and effectiveness in its operations; and
- c) establish arrangements to achieve and report efficiency savings as required by the Council.

## 31.2 BUDGET REVIEWERS

31.2.1 Individually, members of the Service Management Team, and other line managers, will act as Budget Reviewers for their own areas of responsibility. As the line manager of Budget Holders, this reviewing role involves:

- a) Monitoring Budget Holders' management of budgets and delegation arrangements through regular supervision, periodic managerial (team) meetings and the annual appraisal system.
- b) Promotion of budget holder skills and abilities in financial management in order to reduce financial risk, in accordance with the Financial Training Plan.
- c) Communication to their staff of financial decisions taken at the Service Management Team.
- d) Agreeing with the Budget Holder any significant remedial action required to keep within budget, and to meet corporate targets in relation to prompt payment of invoices and debt collection.
- e) Reviewing debt management protocols and criteria.

- f) Authorising virements between their Budget Holders, on ERP Gold, in accordance with [appendix H](#), to ensure, collectively, expenditure is kept within target, and taking advice from the relevant capital accountant in relation to virements of capital between programme areas.
- g) Reporting to Service Management Team, when the Strategic Finance Manager presents monthly finance & performance information, any significant action taken or required to keep on budget. Where, overall, a major budgetary problem is forecast, the Budget Reviewer must identify and report on options to bring expenditure back within budget.
- h) Ensure that Council targets relating to required efficiency savings are being achieved and reported.

### 31.3 BUDGET HOLDERS

31.3.1 Financial regulations operate on the principle that every budget head has one (and only one) Budget Holder.

31.3.2 The Budget Holder's role is to:

- a) Set the budget level of individual expenditure/income lines within the cash-limit allocated, using ERP Gold, in accordance with instructions issued by LGSS Finance.
- b) Authorise orders for expenditure to be incurred, and arrange for income to be collected, against budgets held.
- c) Control budgets within the overall total allocated to them.
- d) Ensure that financial administration (including any records not kept on ERP Gold) in connection with budgetary responsibilities is carried out efficiently in accordance with financial regulations, consistent with meeting corporate targets set for prompt payment of invoices and debt collection.
- e) Respond to the Debt Management referrals in accordance with the Debt Policy ([13.0](#)).
- f) Develop personal and team skills in financial management and administration.
- g) Approve virements within their budget responsibility, as allowed by these regulations.
- h) Ensure that transactions are coded to correct account codes on the financial ledger to ensure accuracy in the Council's externally audited Statement of Accounts, and to comply with the Local Government Transparency Code. (Further information on account codes and expenditure categories is given in the [Budget Holder Information Pack](#).)

- i) Update monthly outturn forecasts on a regular basis, in ERP Gold, in accordance with timetables, in conjunction as necessary with their financial adviser, and alert their Budget Reviewer to significant budgetary problems.
- j) Ensure correct profiles are used on ERP Gold, to aid budgetary control.
- k) Respond to Internal Audit reports on areas specific to their responsibility, within timescales agreed with the Chief Internal Auditor.
- l) Identify and report to their Budget Reviewer, efficiency savings made.
- m) Safeguard accounting documentation held to prevent loss, destruction or unauthorised alteration. Data maintained on computer must be physically and logistically protected and regularly backed-up to ensure that data can, if necessary, be recreated within a reasonable working period.

31.3.3 The Budget Holder is responsible for:

- a) Positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- b) Understanding and ensuring compliance with this Scheme of Financial Management.
- c) Complying with Service variations to the Finance Management Arrangements for Services.
- d) Timely implementation of agreed audit recommendations.
- e) The introduction and maintenance of adequate and cost effective systems of internal control within their area of responsibility.
- f) Initiating exception reports, where necessary, for the Strategic Finance Manager and / or Chief Internal Auditor.
- g) Reporting any potential overspending or underspending to their line manager in a timely manner.
- h) Training and developing themselves and their staff in relation to financial competencies.

Further Budget Holder guidance is available within the [Budget Holder Information Pack](#). All Budget Holders will be asked to sign up to the above roles and responsibilities through the return of a signed [Budget Holder Agreement Form](#).

31.4 Substitution of Financial Responsibility

- 31.4.1 When planning to be on leave Budget Holders should request a substitute Budget Holder via Let's Go Direct to ensure that authority regarding the processing of their budget-holding responsibilities, including authority to authorise ERP Gold orders, is temporarily reassigned. A substitute Budget Holder must be a post-holder with a role higher up the ERP Gold Tier Hierarchy, e.g. a Budget Holder with Tier 4 approval rights must request a substitute Budget Holder at Tier 3 (Head of Service) or above.
- 31.4.2 Budget Holders must ensure that these temporarily reassigned arrangements are clearly documented and communicated to staff concerned.
- 31.4.3 In any case, the formal ultimate responsibility for managing budgets rests with the designated Budget Holder. They must ensure that suitable controls and appropriate financial administration are in place for them to fulfil their responsibilities.
- 31.4.4 Where Budget Holders temporarily reassign some responsibilities, they themselves are still accountable to their Budget Reviewer and must ensure that, through supervision and management team meetings, they are monitoring the budgetary situation.

## 31.5 LGSS FINANCE

- 31.5.1 LGSS Finance will provide information, support and advice to all Budget Holders, Budget Reviewers and other staff/managers to assist them in their financial responsibilities. Service Level Agreements with Budget Holders may be put in place to provide additional clarification of the role of Finance. These arrangements may take into account risk analysis of the area of budget activity and the level of expertise and support available to each Budget Holder.
- 31.5.2 The ERP Gold system is the definitive record of financial transactions, supported by systems that feed into / interface with ERP Gold, e.g. Mosaic. Any local records used for budget management purposes should be reconciled by Budget Holders back to ERP Gold.
- 31.5.3 As well as supporting Services, Finance will carry out an enforcement role in ensuring that Budget Holders adhere to this Scheme of Financial Management and any other corporate requirements. Finance must also provide information for overall corporate reports on the annual budget, in-year budget monitoring, and the final outturn.
- 31.5.4 Each Budget Holder will have a financial adviser allocated to them to act as a first point of contact in Finance and to provide the support required for the day-to-day management of budgets.
- 31.5.5 Customer feedback on the effectiveness of the Finance Section role will be sought. Finance must ensure that the financial training and Budget Holder competencies are implemented.

### 31.6 BUDGET SETTING

- 31.6.1 The budget setting process is critical to successful financial management and, in strategic terms, will flow from the Corporate (including BP), Service and Directorate Plans, which set priorities for service changes and investment.
- 31.6.2 The Chief Finance Officer shall issue instructions annually on the processes for preparing the BP and the Annual Budget.
- 31.6.3 At a more detailed level, instructions for Budget Holders on constructing their budget will be issued by LGSS Finance at the start of each BP process.
- 31.6.4 Budget Holders must make every effort to ensure that budgets they set meet commitments or likely commitments to be encountered. Setting budgets at a level which is known to be unmanageable is not permitted. Budget Holders who cannot contain such budgets within their overall cash limit must alert their Budget Reviewer at the earliest opportunity.
- 31.6.5 Budget Holders will be notified of their final budget allocations as soon as possible after the County Council's annual budget meeting in February and by 31 March at the latest.
- 31.6.6 The BP process is the prime process. In-year requests for supplementary estimates are not permitted, except in exceptional circumstances and after prior consultation with the Chief Finance Officer (see financial regulations [6.4](#) and [8.3](#)).

### 31.7 BUDGETARY CONTROL

- 31.7.1 A Service's overall budgetary position is the responsibility of either the Executive Director or the Director, and this responsibility cascades down through Service Management Team, Budget Reviewers and individual Budget Holders.
- 31.7.2 At each level, managers must ensure that budgetary targets are met and, if particular budgets are forecast to overspend, early warning should be given and remedial action taken within the immediate management group to address this situation. Only when collectively that overspend cannot be contained should the problem be referred to the next management level. The role of the Budget Reviewer is crucial in this process, especially where the scope for remedial action at Budget Holder level is limited.
- 31.7.3 In order to ensure that reports are giving a correct message, it is important that Budget Holders pay particular attention to the way their budgets are profiled in the accounting system and action changes to profiles if these do not accord with realistic spending patterns.
- 31.7.4 LGSS Finance may require additional information and explanation from Budget Holders and their Budget Reviewers where the Service Finance &

Performance Report gives cause for concern. This should include the financial impact of any remedial action taken.

31.7.5 Financial projections of likely budget positions at the end of the year should also be reported to management teams on a regular basis. These forecasts are the responsibility of the Budget Holder, who must ensure all forecast outturns are updated in the ERP Gold system, but the financial adviser may assist in their production and will undertake a verification of the final projection.

31.7.6 Should any remedial action be required to achieve a balanced budget, Budget Holders must use virement facilities on ERP Gold to transfer budget between areas within their control to reflect this.

31.7.7 Where virement between their Budget Holders is required, this must be actioned on ERP Gold by the Budget Reviewer, who must comply with the authorisation rules as set out in [appendix H](#).

31.7.8 Where virements are processed, relevant budget holders must ensure that the forecast outturn in ERP Gold is updated to reflect the new budget position.

31.7.9 At the end of the financial year any service outturn under/overspends will be balanced to the General Fund reserve.

## 31.8 CAPITAL

31.8.1 The annual capital budget / programme is approved each year in February in the context of the BP process.

31.8.2 Every scheme in the programme will have an agreed budget and identified source of funding. All variations in the estimated cost of schemes and / or the sources of funding must be approved by Service Management Team.

31.8.3 For each scheme in the programme a manager will be designated as Budget Holder. The Budget Holder's responsibility is to monitor both progress and financial performance e.g. expenditure against the capital budget, and to alert their capital accountant and Strategic Finance Manager to significant financial control problems and/or slippage in the completion of the scheme.

31.8.4 A monthly Capital Monitoring Report will be prepared and included in the Service Finance & Performance Report, which will be presented to their respective Committee in line with the Council's overall financial reporting schedule. These capital monitoring reports will also feed into the corporate Integrated Resources and Performance Report, which is presented to Capital Programme Board and Strategic Management Team monthly and the General Purposes Committee in line with the Council's overall financial reporting schedule.

## 31.9 AUTHORISATION OF VIREMENT PROPOSALS

31.9.1 Revenue and capital virement authorisation limits are set out in [appendix H](#)

Appendix A**STATEMENT OF FINANCIAL RESPONSIBILITIES****1. Chief Executive**

The Chief Executive will be responsible for:

- understanding the nature of reporting needed under Sections 151 and 114 and the delegation arrangements in place to ensure proper performance.
- establishing an effective monitoring and reporting framework to enable him / her to properly hold Executive Directors or Directors accountable for the discharge of their responsibilities.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

**2. Chief Finance Officer**

The Chief Finance Officer has the Section 151 and 114 responsibilities.

The Chief Finance Officer will be responsible for:

- setting adequate standards, protocol and procedures for budgeting, accounting, systems, and reporting and for establishing a framework of monitoring to ensure these requirements are met.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- advising officers on the issues and circumstances in which reporting is needed.
- accepting reports from Executive Directors or Directors on an exception basis.
- accepting routine reports from the Head of Finance/ Deputy Section 151 Officer and Strategic Finance Managers.
- approving any detailed schemes of local financial management.
- approving the implementation of local financial systems.
- the maintenance of a structured scheme of financial training.
- reporting on an exception basis to the Chief Executive.
- capital financing determinations under the Local Government and Housing Act 1989 where these may be made by an officer.
- determining the form of the Council's accounts and records, including determining the accounting policies used by the Council and ensuring that the annual Statement of Accounts is prepared in accordance with all relevant accounting standards.

- signing off grant claims, where the conditions require it.

### 3. Monitoring Officer

The Director of Legal and Governance Services is designated as the 'Monitoring Officer' whose functions include:

- ensuring lawfulness and fairness of decision making in consultation with the Head of Paid Service (Chief Executive) and Chief Finance Officer.
- reporting to the Council and to the Executive in any case where he/she is of the opinion that any proposal or decision of the authority has given rise to or is likely to or would give rise to any illegality, maladministration or breach of statutory code under Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89)
- advising whether decisions are within budget and policy framework.
- providing advice on the scope of powers and authority to take decisions, including matters of financial impropriety and probity.

### 4. Executive Directors (People & Communities and Place & Economy) and Directors (Corporate & Customer Services, Public Health and Business Improvement & Development)

Executive Directors (People & Communities and Place & Economy) and Directors (Corporate & Customer Services, Public Health and Business Improvement & Development) are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- establishing an effective monitoring and reporting framework to ensure a proper awareness of significant issues.
- reporting as required to the Chief Executive (and as appropriate to the Chief Finance Officer) on any significant issue relating to their area of responsibility.
- ensuring staff throughout their departments are aware of their responsibilities and are capable of discharging them.
- ensuring adequate standards of internal control within their departments, and in particular, through their Service Management Team, ensuring the proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- identifying the individual Directors responsible for ensuring proper control for particular services (including corporate controls such as the register of interests).

- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

## 5. Head of Finance and Strategic Finance Managers

The Head of Finance/ Deputy Section 151 Officer and Strategic Finance Managers are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- obtaining the necessary information about their services to enable them to report (including receiving reports from the appropriate Service Finance Manager and/or Senior Finance Business Partner).
- initiating exception reports, when necessary, to the relevant Executive Director/Director and to the Chief Finance Officer.
- ensuring proper awareness within the Service Management Team of the principles of control and the requirement for the introduction of cost effective control systems.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- the introduction and maintenance of variations to the Finance Management Arrangements for Services.
- establishing a framework of monitoring to verify that control requirements are met and agreed internal audit recommendations are implemented on a timely basis.
- deputising for the Section 151 Officer when required and have delegated authority to sign financial claims, bids, and other financial statements and reports on behalf of the Section 151 Officer.

## 6. Service Directors

Service Directors will act for Executive Directors over his / her internal control responsibilities. This role will involve (within their areas of responsibility):

- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- ensuring all applicable staff have seen and understand the Scheme of Financial Management.
- ensuring proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- ensuring timely implementation of agreed internal audit recommendations.
- establishing a robust monitoring and reporting framework to ensure control responsibilities are met.

- initiating exception reports where necessary to the Strategic Finance Manager and / or Chief Internal Auditor.
- reporting any potential overspending or underspending to their Executive Director.
- ensuring levels of financial competence in line with the Financial Training Plan.

## 7. Chief Internal Auditor

The Chief Internal Auditor is responsible for:

- the independent audit of internal financial control systems within the authority to assess their adequacy to ensure:
  - reliable financial and other management information and reporting
  - compliance with laws, regulations, policies, rules, etc.
  - properly safeguarded assets and interests
  - efficient and effective operations
- recommending and gaining acceptance of improvements to systems of internal control identified as necessary during the course of audits.
- reporting to
  - Strategic Finance Managers / Executive Directors and Directors
  - Chief Finance Officer
  - Audit and Accounts Committee
  - the relevant Budget Holderon main control issues, improvements agreed, and improvements made.
- initiating on an exception basis such reports that are necessary for the Chief Finance Officer and / or Chief Executive.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- providing advice on the nature of internal controls, the potential consequences of poor control and the control options available to reduce or limit risk.

## 8. General Purposes Committee (GPC)

The GPC delegated authority includes:

- authority for monitoring the overall performance of the Council against its Business Plan
- authorising budget virement which is not covered within the limits of virement contained in the Council's financial rules, provided there is no change in the approved policy framework of the Council. Virement

limits are set out in the Constitution in Part 3D (Scheme of Delegation to Officers) and Part 4 (Financial and Contract Procedure Rules)

- authorising proposals which are not covered by the finance limits of the Executive Directors and Directors delegated powers contained in A3 – A7, as set out in the table at paragraph 3 of Part 3D of the Constitution, provided there is no change in the Council's approved budget and policy framework.
- deciding on the appropriate allocation of grants where these are supplied without a ringfence and exceed the virement limits set out in the Constitution in Part 3D (Scheme of Delegation to Officers) and Part 4 (Financial and Contract Procedure Rules).
- deciding on the appropriate allocation of carry-forwards of service underspends, including considering service committee proposals.

A full list of the GPC's delegated authority can be found in Part 3B of the Constitution (Responsibility for Functions).

Appendix B**RETENTION OF FINANCIAL RECORDS**

It is important that records (computerised or manual) are carefully retained and systematically filed as they are required for inspection by a number of agencies such as Internal Audit, the external auditor, Contributions Agency, HMRC officials etc.

The required MINIMUM period for the retention of financial records is:

**CURRENT FINANCIAL YEAR PLUS THE THREE PREVIOUS FINANCIAL YEARS**

This applies to:

- Receipts,
- Till Rolls,
- Invoices,
- Copy Orders,
- Audit Trails,
- School Meals and School Funds (non-public) Records,
- Government Procurement Card Transaction logs.

The advised periods for the retention of other financial records are detailed below:

**Accounts etc**

Sales Contracts

Purchasing Contracts

Stock Inventories

Published Accounts

Taxation Returns

External Audit Reports

Cheques

Bank Statements

Cash Statements

Deeds of Covenant

Primary Salaries & Wages Records

Expense Accounts

Pension Scheme Records

Business Planning Papers

Capital Working Papers and Documentation  
(to support the requirements of [regulation 5](#))

Budgetary Control Reports

**Period of Retention**

6 years after agreement ends

6 years after agreement ends

7 years

Permanently / Indefinitely

Permanently / Indefinitely

Permanently / Indefinitely

6 years

6 years

6 years

12 years after final payment

7 years

7 years

Permanently / Indefinitely

3 years

6 years from completion of project

3 years

**Insurance**

Insurance Policies (Excluding Liability)

6 years after lapse

Liability Insurance Policies

Permanently / Indefinitely

Insurance Claims

6 years after settlement

Insurance Schedules

10 years

Appendix C**THE SERVICE REPORTING CODE OF PRACTICE (SERCOP) - DEFINITION OF ACTIVITIES TO BE TREATED AS TRADING ACCOUNTS**

The 2019/20 version of the SERCOP issued by CIPFA defines the five main types of trading operation that may be run by local authorities as:

1. Trading services or undertakings with the public or with other third parties. These include, amongst others, catering undertakings, markets, trade refuse collection and industrial units.
2. External trading organisations (ExTOs), which have won contracts from other public bodies, for example under the Local Authorities (Goods and Services) Act 1970.
3. Work carried out by internal trading organisations (InTOs) arising from voluntary competitive tendering (VCT) exercises.
4. Support services provided in a free internal market, i.e. to schools or to other budget holders who have been given freedom to buy externally if they wish.
5. Support services provided in a limited internal market, e.g. where budget holders are free to decide the quantity and type of work to be done on the basis of the prices quoted to them, but not to buy externally.

*(Service Reporting Code of Practice 2019/20, Section 2.30 – Trading Accounts and Trading Operation, p.39)*

Appendix D**TRADING BUDGETS AND EXTERNAL TRADING****1. PURPOSE**

- 1.1 To offer guidance to Trading Unit Managers as to the considerations that should be brought into account in seeking to undertake work for other organisations.

**2. ADVICE TO TRADING UNIT MANAGERS**

- 2.1 There are four aspects to this area:

- (i) Legal considerations
- (ii) Prudential considerations
- (iii) Business considerations.
- (iv) Other considerations

2.2 Legal

The Local Government Act 2000 gives Local Authorities a general power to do anything which they consider likely to achieve the promotion or improvement of the economic, social and/or environmental well being of their area. The power cannot be exercised in a way which is otherwise prohibited and the manner in which it is to be exercised needs to be reflected in the Council's Community Strategy.

In addition, the duty on Local Authorities in the Local Government Act 1999 to secure Best Value requires Councils to make arrangements to secure continuous improvements in the way in which functions are exercised having regard to a combination of economy, efficiency and effectiveness.

It is open for Local Authorities to develop trading activities within the framework of the above legislation but proposed commercial activity would need to be linked to both the general power of well-being and the Best Value requirement. It would be prudent to expressly identify proposed trading activity for a purpose or for a body, which is not another Local Authority or public body, within the meaning of the following paragraphs within the Community Strategy.

In addition to the above general powers and duties, Local Authorities still have the ability to put in tenders or bid for work for external clients who fall within the context of other legislation which includes primarily the Local Authorities (Goods and Services) Act 1970 (Public bodies); the Local Government Act 1972 (other local authorities) and certain particular powers in other legislation.

The purposes in the 1970 Act are:

- the supply of any goods or materials, including the purchase and storage of any goods or materials;
- the provision of any administrative, professional or technical services;

- the use by the public body of any vehicle, plant or apparatus and the placing at their disposal the services of any persons employed in connection with the vehicle etc.;
- the carrying out of works of maintenance (not construction) in connection with land or buildings.

### 2.3 Prudential Considerations

It is important that arrangements should not be entered into which expose the County Council, and its taxpayers, to financial risk. This means that Trading Unit Managers must:

- (i) consider the existence and availability of suitably skilled staff.
- (ii) ensure the adequacy of the preparation of charges for external work and the management information and control systems. Costings should be sufficiently wide to cover set-up costs, cash-flow and provision for termination costs (e.g. potential redundancies);
- (iii) ensure that external work is not disproportionately large compared to service provided within the authority;
- (iv) not bid for work / tenders that would involve taking on substantial extra staff to handle the contract;
- (v) where a contract is potentially short-lived, but may require some additional staff, they should ensure that these staff are appointed on fixed-term contracts;
- (vi) ensure that they consult with the Chief Internal Auditor on appropriate professional indemnity insurance prior to bidding for work;
- (vii) ensure that the purpose of the arrangements is not to maintain employment.
- (viii) ensure that the contract business generates at least a marginal surplus.

### 2.4 Business Consideration

Before undertaking such work, Trading Unit Managers should actively include proposals within its Annual Business Plan for the service. Consideration in a Business Planning context would encompass:-

- (i) does provision further the objectives of the Trading Unit?
- (ii) the managerial capability to handle the work, including the need to ensure that undertaking the work does not overstretch the unit, or compromise service provision to internal customers.

### 2.5 Other Considerations / Questions

- (i) Is the external work carried out for a County Council Partner? Does it help to meet mutual objectives? Is the partner from the public (police/another authority) private or voluntary sector?

- (ii) What are the trading arrangements (e.g. annual agreement, spot bought, by project tender). Therefore how long is the external client likely to need the service, and what is the relative security of income?
  - (iii) What are the risks associated with the contract conditions that apply? Do they offer flexibility to the unit or do they place a commitment on them that, if unfulfilled, would leave the County Council liable in law to fund the work carried out by another organisation?
  - (iv) What are the “market conditions” that apply to the work? Will pricing in any tender need to be very competitive? Will this significantly increase the risk of returning a loss? Would the Trading Unit therefore charge external clients less than it would an internal client?
  - (v) What are the benefits (skills/experience) of working for external customers? Will these help the Trading Unit in its work for the County Council?
  - (vi) What is the scale of the operation of the unit and the present or projected volume and proportion of external work? What are the trends? If trading losses were incurred how large could they be in financial and political terms? What is the “worst case” scenario?
  - (vii) What is the “critical mass” of the unit? By reducing or removing external work would the critical mass be threatened, thereby increasing unit costs and making the unit less viable? Is there a critical mass in terms of skills and abilities?
  - (viii) Does external work / customers allow the Council to make better use of facilities - perhaps benefiting the wider community?
3. The above factors are only pointers to the legality, prudence and business sense of an arrangement. It is a matter of striking a balance. Beyond ensuring that the proposals are within legal powers, one adverse factor, alone, may not be a reason not to proceed.
4. Selling services to the private sector would generally be outside the Council's powers and any proposal in that direction must be agreed in advance with the Chief Internal Auditor and the Chief Finance Officer. Very exceptionally, a private sector contract may be permissible if, within existing resources, there is a temporary surplus capacity and the Council could use that capacity to establish that the contract is incidental to the exercise of the Council's proper functions, and therefore lawful. But such circumstances occur only at the margin and infrequently.
5. The above guidance is simply that, guidance. The essential points, beyond acting within the law, are to act prudentially and consistently within the aims of the Trading Unit. By its nature this guidance is general and specific circumstances vary. Before proceeding with any proposals, Trading Unit Managers should first consult with the Chief Internal Auditor and the Chief Finance Officer.

Appendix E**TRADING BUDGETS' DIRECT AND OTHER CHARGES**

<b>Direct Charges for Trading Units</b>	<b>Method of Recharge for Trading Units</b>	<b>Comments</b>
Accommodation	Direct charge in relation to the amount of accommodation occupied	Charge based on a standard cost per square metre
Finance	Direct charge	Charged by Finance-irregular service
Building Maintenance (Revenue)	Direct Charge (where this is not a County Office)	County Offices come under County Offices Recharge
Payroll	Direct charge	
Debt & Income	Direct charge - per transaction	Pay As You Use – regular service. Charged by Debt & Income
Accounts Payable	Direct charge - per transaction	Pay As You Use – regular service. Charged by Accounts Payable
HR – Recruitment	Direct charge - for costs of any recruitment	Pay As You Use – irregular service. Charged by HR
HR – Training	Direct charge - for costs of any training course	Pay As You use – irregular service. Charged by HR
Insurance	Direct charge of providing cover	

Appendix F**INVENTORY INSTRUCTIONS****1. PURPOSE**

- 1.1 To provide instructions on how inventories must be maintained.
- 1.2 Internal Audit must be consulted prior to computerising the inventory.

**2. INVENTORY RECORDS**

- 2.1 The inventory must include individual items of value exceeding £500. However, it is recommended that items of lesser value should be included if they are attractive and portable. Furniture need not be included unless it is considered unique or particularly valuable.
- 2.2 Serial numbers of equipment must be noted as this information may be very useful to the police if items are stolen. Security marking should be used to record the name of the establishment and its postcode. (Items on loan from other establishments etc. should not be marked).
- 2.3 Budget Holders must ensure that the register is kept up to date. Systems therefore should ensure that the person responsible for the inventory is kept fully informed of purchases, loans, write-offs etc.
- 2.4 Proper procedures must be established for loans of equipment, including authorisation policy, specification of finite periods of loan and written acknowledgement of loan. Loans out and items borrowed must be recorded in the sections provided at the back of the inventory book.
- 2.5 The Budget Holder must sign the inventory book to authorise write-offs, transfers and sales.
- 2.6 Budgets Holders must ensure that inventories are checked at least annually. The existence of items loaned out, and those held on loan should also be checked. The annual check should be undertaken by someone other than the person responsible for the equipment on the inventory. The check must be documented as specified in the inventory book.
- 2.7 Where the Budget Holder is responsible for several establishments or Services/Corporate Directorates, each with their own inventory, a master list of inventories held should be maintained.
- 2.8 Surplus, obsolete or unserviceable equipment must first be offered to other establishments or departments. If it is not required by other parts of the Council, it should be sold at the best price available, in accordance with the County Council's Contract Procedure Rules. Where computers are to be disposed of, IT advice must be sought in view of the implications for software licences and data security. The agreed price must be paid before removal of the item.
- 2.9 A copy of the inventory must also be kept off-site.

Appendix G

## CAMBRIDGESHIRE COUNTY COUNCIL

**STOCK CERTIFICATE**

Stock Description \_\_\_\_\_

Held at \_\_\_\_\_

I CERTIFY that to the best of my knowledge and belief that:

- (1) The total value of stock in hand as at 31<sup>st</sup> March 20     is £  
and individual quantities and value of commodities included in the total are correct. The values have been calculated at the lower of cost and realisable value (see note below).
- (2) The commodities shown in the stores records have been the subject of a periodical test examination of stores in hand and all stores have been checked at least once during the year in accordance with Financial Regulation 24.7.
- (3) Any surpluses or discrepancies revealed by a periodical test examination or otherwise have been investigated and dealt with in accordance with Financial Regulations 24.11

Signed \_\_\_\_\_ Service / Corporate  
Directorate \_\_\_\_\_

Position \_\_\_\_\_ Date \_\_\_\_\_

TO BE RETURNED TO:

The Appropriate Finance Unit  
at Shire HallNote

Stocks should be valued at cost price unless they are obsolete or have been subject to a price decrease after their purchase. In the former case the best estimate of market value should be used. In the latter case, the correct basis is price at 31<sup>st</sup> March.

Please also complete a Stock Template (see the [Closedown intranet page](#)).

Appendix H**AUTHORISATION OF VIREMENT PROPOSAL****VIRE REVENUE BUDGET FROM BUDGET HOLDER TO:**

<b>REVENUE</b>		<b>Over £175,000</b>	<b>£50,001 to £175,000</b>	<b>£10,000 to £50,000</b>	<b>Less than £10,000</b>
1	Same Budget Holder	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Budget Holder
2	Another Budget Holder in same Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Holders
3	Another Budget Holder in another Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Reviewers

- Note:
- (1) GPC approves virements over £175,000 between main budget headings defined as the objective analysis of expenditure incorporated in the published Budget report for each Service Block.
  - (2) Virements from one off underspends to meet ongoing commitments will not normally be authorised.

VIRE **CAPITAL** BUDGET FROM BUDGET HOLDER TO:

<b>CAPITAL</b>		<b>Over £250,000</b>	<b>£50,001 to £250,000</b>	<b>£10,000 to £50,000</b>	<b>Less than £10,000</b>
1	Same Budget Holder	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Budget Holder
2	Another Budget Holder in same Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Holders
3	Another Budget Holder in another Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Reviewers

Appendix I**SCHEME FOR APPROVING CARE PACKAGE EXPENDITURE IN MOSAIC**

Care expenditure is paid by ERP Gold mostly through an interface with Mosaic, the social care system. Expenditure on care is driven by the needs of a person assessed by social work staff through a quality assured assessment process, with care then commissioned in the most cost effective way to meet the person's assessed needs.

Budget holders have oversight of the processes and supervision of staff involved, and so authorisation is deemed to be given to incur expenditure if the standard Mosaic processes are followed. Care must be provided in line with assessed needs, and so in most cases the need for a separate control around authorisation levels at varying degrees of seniority is not required. Residential packages are not agreed unless confirmed by a panel of officers and within the process for assessing need there is always review by another appropriately experienced or qualified professional. As a result of the process, no single officer will authorise care package spending without the involvement and oversight of another. The final formal authorisation of payments in these cases will be in line with standard Mosaic processes and will sit with a manager in the Adults Finance Operations Team, who verifies that the care package has been loaded correctly in the system and that it is in line with the assessment. The activity of authorising managers within this team will be periodically reviewed to ensure expenditure is appropriate, and decisions around the cost of higher-cost packages of care will be agreed by practice panels between commissioning and operational managers.

Where expenditure is directly through ERP Gold rather than the Mosaic interface, the standard processes for ERP Gold will be followed.

Appendix J**FEES & CHARGING REQUEST TEMPLATE**

This form should be completed for new charges and changes to existing charges.  
Please complete all boxes up to the dashed line

Reference:			
Officer contact name:		Date:	
Directorate:		Service:	
Title of charge:			
Additional information, reason for change/introduction:			
Current charge:		New charge:	
Implementation date:		Payment method:	
Statutory/Non-Statutory			
VAT Rating	For VAT advice contact <a href="mailto:TAX@northamptonshire.gov.uk">TAX@northamptonshire.gov.uk</a>		

Executive Director / Director approval: (If approval is given please sign below)	
Executive Director / Director comments:	

**SIGNED:****DATE:**

Appendix K**CONTACT OFFICERS**

In case of any query on Financial Regulations, please contact any officer listed below.

**Deputy Chief Executive and Chief Finance Officer**

<a href="#"><u>Chris Malyon</u></a>	Chief Finance Officer	01223 699796
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**Finance Operations**

<a href="#"><u>Alison Balcombe</u></a>	Head of Finance Operations	07748 424918
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**Debt**

<a href="#"><u>Robin Bates</u></a>	Head of Revenues & Benefits	01604 838495
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**Payroll & HR Transactions**

<a href="#"><u>David Hannah</u></a>	Head of Payroll & HR Transactions	07738 637245
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**Professional Finance**

<a href="#"><u>Tom Kelly</u></a>	Head of Finance and Deputy Section 151 Officer	01223 703599
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<a href="#"><u>Sarah Heywood</u></a>	Strategic Finance Manager (Place & Economy, Customer & Digital & Central)	01223 699714
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<a href="#"><u>Martin Wade</u></a>	Strategic Finance Manager (Children & Young People, Education, Communities and Public Health)	01223 699733
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<a href="#"><u>Stephen Howarth</u></a>	Strategic Finance Manager (Adults & Safeguarding (+NHS))	01223 714770
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<a href="#"><u>Eleanor Tod</u></a>	Strategic Finance Manager (Corporate Finance)	01223 699139
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**Audit**

<a href="#"><u>Duncan Wilkinson</u></a>	Chief Internal Auditor	01908 252089
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Appendix L**REFERENCES**

<b>Area</b>	<b>Actual Web Address</b>
<a href="#"><u>Contract Procedure Rules</u></a>	<a href="http://sharepoint.lgss.local/sites/lpg/procurement/_layouts/15/WopiFrame2.aspx?sourcedoc=/sites/lpg/procurement/LGSS%20Direct%20Content%20OPEN/CCC%20Contract%20Procedure%20Rules.pdf&amp;action=default">http://sharepoint.lgss.local/sites/lpg/procurement/_layouts/15/WopiFrame2.aspx?sourcedoc=/sites/lpg/procurement/LGSS%20Direct%20Content%20OPEN/CCC%20Contract%20Procedure%20Rules.pdf&amp;action=default</a>
<a href="#"><u>Council's Constitution</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a>
<a href="#"><u>Scheme of Delegation</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a> (Part 3, 3D)
<a href="#"><u>Scheme of Operation</u></a>	<a href="http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx">http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx</a>
<a href="#"><u>Article 11 - Officers</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a> (Part 2, 2-11)
<a href="#"><u>Financial and Contract Rules</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a> (Part 4, 4-5)
<a href="#"><u>VAT Basics Guide</u></a>	<a href="http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/VAT%20Basics%202012%20LGSS.pdf">http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/VAT%20Basics%202012%20LGSS.pdf</a>
<a href="#"><u>Anti-Money Laundering Policy</u></a>	<a href="http://sharepoint.lgss.local/Pages/Anti-money-laundering.aspx">http://sharepoint.lgss.local/Pages/Anti-money-laundering.aspx</a>
<a href="#"><u>Human Resources Policies</u></a>	<a href="http://sharepoint.lgss.local/_layouts/15/LGSS.Intranet/Navigation.aspx?cat=1">http://sharepoint.lgss.local/_layouts/15/LGSS.Intranet/Navigation.aspx?cat=1</a>
<a href="#"><u>Consultants and Interims Policy</u></a>	<a href="http://sharepoint.lgss.local/Pages/Consultants.aspx">http://sharepoint.lgss.local/Pages/Consultants.aspx</a>
<a href="#"><u>Recruitment</u></a>	<a href="http://sharepoint.lgss.local/Pages/Recruitment-and-selection.aspx">http://sharepoint.lgss.local/Pages/Recruitment-and-selection.aspx</a> /
<a href="#"><u>Whistleblowing</u></a>	<a href="http://sharepoint.lgss.local/Pages/CCC-Raise-a-concern-policies.aspx">http://sharepoint.lgss.local/Pages/CCC-Raise-a-concern-policies.aspx</a>
<a href="#"><u>Information Management Security</u></a>	<a href="https://camweb.cambridgeshire.gov.uk/our-organisation/corporate-and-customer-services/business-intelligence/information-&amp;-records/handling-information-&amp;-secure-email/">https://camweb.cambridgeshire.gov.uk/our-organisation/corporate-and-customer-services/business-intelligence/information-&amp;-records/handling-information-&amp;-secure-email/</a>
<a href="#"><u>Anti Fraud and Corruption Policy</u></a>	<a href="http://sharepoint.lgss.local/Pages/Anti-fraud-and-corruption.aspx">http://sharepoint.lgss.local/Pages/Anti-fraud-and-corruption.aspx</a>
<a href="#"><u>GPC User Guide</u></a>	<a href="http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/Joint%20-%20GPC%20User%20Guide.doc">http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/Joint%20-%20GPC%20User%20Guide.doc</a>
<a href="#"><u>Budget Holder Information Pack</u></a>	<a href="http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx">http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx</a>