

FINANCIAL STANDING ORDERS AND REGULATIONS

CONTENTS

	Page No.
FINANCIAL STANDING ORDERS	
1. Financial Administration	2-3
2. Other Financial Accountabilities	4
3. Financial Planning	4
4. Budgeting	4-5
5. Budgetary Control inc. Virement and Supplementary Estimates	5-7
FINANCIAL REGULATIONS	
1. Financial Management	8
2. Budget Preparation, including new Capital Schemes	8-9
3. Budgetary Control	9-10
4. Reserves	10
5. Accounting	10-11
6. Audit Requirements - Internal and External	11-12
7. Preventing Fraud and Corruption	13
8. Banking Arrangements and Cheques	13
9. Treasury Management, Investments, Borrowing and Trust Funds	13-14
EXPENDITURE	
10. Selective Tendering	14
11. Contracts for Services, Building, Constructional or Engineering Work	14-15
12. Orders for Work, Goods and Services	15-17
13. Payment of Accounts	17-18
14. Salaries and Members Allowances	18
15. Travelling, Subsistence and Training Expenses	18
16. Petty Cash and Cash Floats	18-19
17. Authorised Signatories	19
INCOME	
18. Income	19-20
CONTROL OF ASSETS	
19. Inventories	20-21
20. Land and Property	21
21. Stocks and Stores	21-22
22. Security	22
23. Insurances	22-23
24. Intellectual Property and Management of Information (Financial and Non-Financial)	23
25. Security	23
PARTNERSHIPS	
26. General	23-24
27. Specific Responsibilities	24-25
28. External Funding	25
29. Work for Third Parties	26
STANDING ORDERS WITH REGARDS TO CONTRACTS	
See separate document(s) for Contract Standing Orders and the supporting Purchasing guide.	See separate Document(s)

FINANCIAL STANDING ORDERS AND REGULATIONS

In order to comply with statutory provisions it is necessary to compile a set of Regulations as a means of guidance and assistance to both Members and officers. Financial Standing Orders are intended to operate within the context of the Head of Service's responsibility for Corporate Management and their responsibility to give advice to the Council and Committees, and cover the main principles of financial control. A specific set of Financial Standing Orders relating to Contracts are provided in the separate Contract Standing Orders document and supporting Purchasing Guide. The Financial Regulations deal with the more detailed aspects of financial control.

Whilst the term 'Strategic Director' and 'Head of Service' are used within this document for defining overall responsibility, all employees have a duty to comply with Financial Standing Orders and Regulations.

FINANCIAL STANDING ORDERS

1. Financial Administration

1.1 The full Council is responsible for adopting the authority's constitution, the members' code of conduct and for approving policy framework and budget within which the executive operates. The full Council is also responsible for approving procedures for recording and reporting decisions taken. This includes key decisions delegated by and decisions taken by the council and its committees.

1.2 The Executive is responsible for proposing the policy framework and budget to the full Council, regulating and controlling the finances of the Council.

1.3 The Executive can delegate its decision making powers to a committee of the Executive such as the Performance Board and Budget Task Force or to an individual Executive Member or an officer. In exercising this delegation the Executive is responsible for establishing protocols to ensure that individual Executive Members consult with the relevant officers before taking a decision within his or her delegated authority. In doing so the individual member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

1.4 The Head of Paid Service (Chief Executive) is responsible for the corporate and overall strategic management of the authority as a whole. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the full council's decisions

1.5 The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the standards committee. The monitoring officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the full council and/or to the executive, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

1.6 The Monitoring Officer (together with the Head of Finance) is responsible for advising the executive or full council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget.

1.7 The Head of Finance has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2006.

1.8 The Head of Finance is responsible for:

- the proper administration of the authority's financial affairs
- setting and monitoring compliance with financial management standards
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- providing financial information
- preparing the revenue budget and capital programme
- treasury management.

1.9 Section 114 of the Local Government Finance Act 1988 requires the Head of Finance to report to the full council, executive and external auditor if the authority or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- is about to make an unlawful entry in the authority's accounts.

1.10 Section 114 of the 1988 Act also requires:

- the Head of Finance to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally
- the authority to provide the Head of Finance with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

1.11 Heads of Service are responsible for:

- ensuring that executive members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Head of Finance
- signing contracts on behalf of the authority.

1.12 It is the responsibility of chief officers to consult with the finance director and seek approval on any matter liable to affect the authority's finances materially, before any commitments are incurred.

1.13 The Head of Finance and the Corporate Management Team shall report to the Executive with respect to the level of resources proposed to be utilised in each financial year and shall keep the Executive informed with respect to the Council's finances and financial performance and other Committees informed with respect to the financial implications of their activities.

1.14 Full Council is responsible for making, and amending, such financial regulations as it considers necessary for the supervision and control of the finances and assets of the Council. The Executive is to be responsible for proposals to make or amend such financial regulations.

1.15 The Executive, Committees, Forums and Panels shall observe the Council's Financial Standing Orders and Financial Regulations in all aspects of their work.

1.16 Corporate Management Team and each Head of Service are responsible for the observance of the Council's Financial Standing Orders and Regulations, and for the accountability and control of staff and the security, custody and control of all resources including plant, materials, cash and stores appertaining to their area of activity.

2. Other Financial Accountabilities

Virement

2.1 The Executive is responsible for agreeing procedures for virement of expenditure between budget headings. The Corporate Management Team is responsible for agreeing in-year virements within delegated limits, in consultation with the Head of Finance where required.

Treatment of year-end balances

2.2 The Executive is responsible for agreeing procedures for carrying forward under- and overspendings on budget headings.

Accounting policies

2.3 The Head of Finance is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting records and returns

2.4 The Head of Finance is responsible for determining the accounting procedures and records for the authority.

The annual statement of accounts

2.5 The Head of Finance is responsible for ensuring that the annual statement of accounts is prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC). The Audit Committee is responsible for approving the annual statement of accounts.

3. Financial Planning

3.1 Any Committee or Panel with financial responsibility as set out in the Council's constitution shall submit to the Executive a capital programme and estimates of revenue income and expenditure for such future period(s) and by such date(s) as the Executive shall require. Any submission should take into account the Corporate Plan and the associated corporate priorities.

3.2 The Executive shall consider the aggregate effect of these programmes and estimates upon the Council's financial resources and shall submit them to the Council for approval with a recommendation of the council tax to be levied for the ensuing financial year.

3.3 Each Member of the Council shall be provided with a copy of the proposed capital programme and revenue estimates together with a statement and report by the Head of Finance of their effect on the Council's finances including reserves and the council tax to be levied before any meeting of the Council at which such matters will be considered.

3.4 At least once a year the Executive shall review fees and charges, giving regard to inflation and the estimated net cost of the service. This review should be presented to the meeting before that which considers the Annual Budget.

4. Budgeting

4.1 The Head of Finance is responsible for ensuring that a revenue budget is prepared on an annual basis and a general revenue plan on a three-yearly basis for consideration by the Executive, before submission to the full council. The full council may amend the budget or ask the Executive to reconsider it before approving it.

4.2 The Head of Finance is responsible for issuing guidance on the general content of the budget as soon as possible following approval by the full council.

4.3 It is the responsibility of Heads of Service to ensure that budget estimates reflecting agreed service plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Head of Finance.

4.4 The Head of Finance is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Executive on the overall position on a regular basis.

4.5 It is the responsibility of Heads of Service to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Head of Finance. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Finance to any problems.

4.6 The Head of Finance is responsible for developing and maintaining a resource allocation process that ensures due consideration of the full council's policy framework.

4.7 The Head of Finance is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Executive before submission to the full council.

4.8 Guidelines on budget preparation are issued to Heads of Service by the Head of Finance following agreement with the Corporate Management Team. The guidelines will take account of:

- legal requirements
- medium-term planning prospects
- the corporate plan
- available resources
- spending pressures
- best value and other relevant government guidelines
- other internal policy documents
- cross-cutting issues (where relevant).

4.9 It is the responsibility of the Head of Finance to advise the Executive and/or the full council on prudent levels of reserves for the authority.

5. Budgetary Control including virement and supplementary estimates

General

5.1 Virement and supplementary estimate are defined as follows

Virement

Why is this important?

The scheme of virement is intended to enable the Executive, chief officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full council, and therefore to optimise the use of resources.

Under virement a Head of Service may propose to spend more than originally planned on one budget head provided that this is matched by a corresponding reduction on some other budget head within their control. Such virement should not give rise to a continuing commitment, e.g. the transfer of resources from the equipment budget to fund the salary of a new permanent member of staff. Within the Swale Borough Council scheme of virement there are other rules to be applied as detailed in the following paragraphs.

Supplementary Estimate

Why is this important?

Where it is necessary to incur expenditure above the planned budget and there is no other source of funding, such as virement, then the only solution is normally to request additional funds, which is deemed to be a supplementary estimate funded from balances/reserves to be decided by the Head of Finance. This applies equally to both capital and revenue budgets, the only difference being the funding source. Any requests for a Supplementary Estimate may only be proposed by the Executive and agreed by Council.

5.2 Nothing in these Standing Orders shall prevent expenditure being incurred which is essential to meet any immediate needs created by a sudden emergency or which is referable to the Civil Contingencies Act 2004 subject to their action being reported to the next meeting of the Executive and Council.

Virement by Heads of Service

5.3 All Heads of Service may carry out virement on the original and revised budget of their cost centres subject to the following limitations:

- (a) the virement does not exceed £20,000 of the approved Revenue Estimates or £20,000 of the approved Capital Programme;
- (b) the virements are within the cost centres managed by the Head of Service;
- (c) the virements have the approval of their Strategic Director of all the relevant details on the proposed virement including the reasons for it and have the agreement of the Head of Finance.

Virement by Strategic Director

5.4 On receipt of a detailed report from the relevant Head of Service, the Strategic Director may approve virement on the original and revised budget of a cost centre subject to the following limitations:

- (a) The virements are within the cost centres managed by the Head of Service;
- (b) They do not exceed £40,000 of the approved Revenue Estimates or £50,000 of the approved Capital Programme;
- (c) If the virement is not within the same service area but does not result in any reduced service standards, the relevant Executive Portfolio Holders must be notified of the proposal before agreement is given to the virement;
- (d) The agreement of the Head of Finance.

Virements by Executive Members (Portfolio Holders)

5.5 Individual Executive Members can approve a virement within their portfolio between service areas of £40,001 and above of the approved Revenue Estimates and £50,001 and above of the approved Capital Programme subject to a joint report from the Head of Service and Head of Finance, which clearly identifies the cost centres and amounts involved. If the virement proposal affects salaries budgets, or matters relating to Pay and Conditions of Service, the Executive Member for the Finance Portfolio must be consulted.

5.6 Collectively the Executive can endorse a virement between portfolios with the same financial limits, subject to the key decision threshold.

- **Summary of Virement Limits – Revenue Estimates**

Level of authority	Value of virement (including any partnership funding)	Notes
Heads of Service	Up to £20,000 for any single virement within the approved revenue estimates coming under his/ her individual responsibility	Must be approved by the Head of Finance and Strategic Director
Strategic Director	Up to £40,000 for any single virement within the approved revenue estimates coming under their responsibility	Must be approved by the Head of Finance and relevant Executive Portfolio Holders
Executive Member	£40,001 and above for any single virement within the approved revenue estimates	Requires a joint report from the Head of Service and Head of Finance and endorsed by the Strategic Director

- **Summary of Virement Limits – Capital Programme**

Level of authority	Value of virement (including any partnership funding)	Notes
Heads of Service	Up to £20,000 for any single virement within the approved capital programme coming under his/ her individual responsibility	Must be approved by the Head of Finance and Strategic Director
Strategic Director	Up to £50,000 for any single virement within the approved capital programme coming under their responsibility	Must be approved by the Head of Finance and relevant Executive Portfolio Holders
Executive Member	£50,001 and above for any single virement within the approved capital programme	Requires a joint report from the Head of Service and Head of Finance and endorsed by the Strategic Director

Services not within the control of a Head of Service, (eg depreciation, recharges from central services such as Finance, Legal, etc.) are not available for virement except at the discretion of the Corporate Management Team.

Any virement that is likely to impact on the level of service of another Head of Service should only be implemented after the agreement with the relevant Head of Service.

The virement request must clearly indicate whether the virement is a temporary in-year virement or a permanent virement affecting future year budgets.

FINANCIAL REGULATIONS

1. Financial Management

Why is this important?

All staff and members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met. This set of Financial Standing Orders and Financial Regulations set out the main standards and controls. Each Head of Service shall ensure that their staff are fully aware of these standards and controls and comply with them whilst carrying out their duties

1.1 Each Head of Service shall consult the Head of Finance with respect to any matter within his/her purview which is liable to affect the finances, other than provided in estimates, of the Council before any provisional or other commitment is incurred or before reporting thereon to a Committee.

1.2 The Head of Finance is responsible for ensuring the proper administration of the financial affairs of the Council and that financial management standards and controls are in place and are effectively monitored for compliance.

2. Budget Preparation

Why is this important?

The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.

2.1 The detailed form of capital and revenue estimates shall be determined by the Head of Finance consistent with the general directions of the Executive and in accordance with the budget policies, in particular the Medium Term Financial Strategy and Corporate Plan and its priorities. The Medium Term Financial Strategy and Corporate Plan should be reviewed annually by the Executive and recommend any changes in budget policy to the Council.

2.2 Revenue and capital estimates shall be prepared by the Heads of Service in consultation with the Head of Finance who shall collate the approved estimates and report to the Executive thereon, such report to include compliance with the financial plan(s) approved by the Council and other financial implications. Opportunities to improve economy, efficiency and effectiveness; by encouraging the best use of resources and value for money should be reflected in service planning.

2.3 The Head of Finance and the Executive Member responsible for Finance shall prepare the annual budget report to the Executive. Following receipt of any comments from the Executive and taking into account the views of the Scrutiny Committee and making any amendments that as a result seem appropriate, the Head of Finance and the Executive Member shall submit proposals to the full Council for approval with a recommendation for the amount of Council Tax to be levied for the ensuing financial year.

2.4 By 11th March each year the full Council shall consider the proposals on the budget and policy framework and the recommendation as to the amount of the Council Tax to be levied for the ensuing financial year. The Council shall set the amount of Council Tax to be levied after

taking into account the precepts issued by the County Council, Police and Fire and Rescue Services and Town/Parish Councils.

New Capital Schemes

Why is this important?

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings and major items of plant, equipment (including IT software) or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs. Capital expenditure involves and revenue running costs. The Government places strict controls on the financial capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources

2.5 Heads of Service shall prepare schemes and estimates for new capital schemes, including associated revenue expenditure, for consideration by the Corporate Management Team. The Head of Finance will co-ordinate these capital bids and following ranking according to the Council's priority matrix present the draft capital programme to the Corporate Management Team.

2.6 Those new schemes that are approved by the Corporate Management Team together with an updated position of the existing capital schemes forming the new three year Capital Programme shall be presented to the Executive for consideration. The Executive submits its recommendations on the capital programme to the Council. Upon the approval by the Council of a programme of capital expenditure the Heads of Service shall be authorised:-

- 2.6.1 To take steps to enable land required for the purposes of the programme to be acquired in due time.
- 2.6.2 To submit to tender in accordance with the accompanying contract standing orders those works and/or services approved in the capital programme.
- 2.6.3 Secure the partnership funding including taking into account any governance arrangements necessary to pursue a joint funded capital scheme.

3. Budgetary Control

Why is this important?

Budget management ensures that once the budget has been approved by the full Council, allocated resources are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual revenue limit, approved when setting the overall annual budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it. For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure excluding support and capital charges, for the service area or cost centre.

3.1 Where it appears that the amount of any head of estimate of approved expenditure may be exceeded or the amount of any head of approved income may not be reached by a significant amount, it shall be the duty of the Head of Service concerned after consultation with the Head of Finance, to inform the Corporate Management Team and the Executive Member for the particular portfolio.

3.2 A summary of such variations from budgeted amounts, whether or not previously reported, shall be included within the quarterly reports collated by the Head of Finance to be presented by the Corporate Management Team to the Executive. This summary would include income and expenditure programmed for the remainder of the financial year, effectively presenting an updated outturn for the financial year. The Corporate Management Team would advise of any remedial action required to adjust the overall budget to bring it back in line with the original budget, subject to any Executive approval to vary the original budget.

3.3 The Head of Finance shall furnish each Head of Service with periodical statements of receipts and payments under each head of approved budget. It is the responsibility of Heads of Service to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Head of Finance. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Finance to any problems.

4. Reserves

Why is this important?

The Council must decide on the minimum level of General Reserves it wishes to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items

4.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and the adequacy of financial reserves held by the Council. As part of the setting of the annual budget and the level of the council tax the Head of Finance shall report to the Council on the robustness of the estimates and the adequacy of financial reserves. The report will include an evaluation of the risk to the General Fund and the General Reserve, the two principal reserves. A full schedule of all the reserves will be part of the report to Council.

4.2 The Executive shall approve the setting up and the purpose of any reserves and funds.

4.3 The Head of Finance will be responsible for the authorisation and expenditure from reserves in consultation with the appropriate Head of Service and/or Director. For some reserves authorisation by the Executive Member for the Finance Portfolio is required such as the Partnership Reserve and the Performance Improvement Fund.

5. Accounting

Why is this important?

Maintaining proper accounting records is one of the ways in which the Council discharges its responsibilities for stewardship of public resources. The Council has a statutory responsibility in preparing its annual accounts to present fairly its operations during the year. These accounting records are subject to external audit. This audit provides assurance that the accounts are prepared properly, that approved accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council's resources.

5.1 All accounting procedures, imprest accounts, and financial records of the Council and its officers shall be as determined by the Head of Finance. The financial procedures and records maintained in other Service Units are the responsibility of each Head of Service and shall be subject to the approval of the Head of Finance.

5.2 The Head of Finance shall make proper arrangements for the external audit of the Council's accounts in accordance with the Accounts and Audit Regulations 2006.

5.3 Heads of Service are required to maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements and to provide such information as required to enable the Statement of Accounts to be completed in accordance with the guidelines issued by the Head of Finance.

5.4 Heads of Service are to consult and obtain approval from the Head of Finance before making changes to accounting records and procedures.

5.5 The following principles shall be observed in the allocation of accounting duties:-

5.5.1 The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

5.5.2 Officers charged with the duty of examining and checking the accounts of each transaction shall not themselves be engaged in any of those transactions.

5.5.3 Schedules of authorised signatories are held within the Financial Services Unit, which should be updated at least on an annual basis and where necessary Heads of Service should inform Financial Services of any intervening changes such as the appointment of new staff.

6. Audit Requirements

Internal Audit

Why is this important?

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2006 more specifically require that a “relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices”.

The role of the Internal Audit Section shall be based upon the principles contained within the Code of Practice for Internal Audit in Local Government in the UK (2006) as issued by the Chartered Institute of Public Finance and Accountancy and the Auditing Practices Committee of the Consultative Committee of Accounting Bodies. Accordingly, internal audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

6.1 The Council shall be responsible for ensuring that there are continuous arrangements to measure, evaluate and report upon the effectiveness of internal control and efficient use of resources, by the establishment of an adequate internal audit function. This shall be headed by a Head of Internal Audit normally reporting directly to the Corporate Services Director, but who also has rights of unrestricted access to Members. The Head of Internal Audit shall report periodically to the Audit Committee.

6.2 The Head of Internal Audit will consult with the Head of Finance, the Council's section 151 officer, and the external auditors in drafting the annual Internal Audit Plan to be approved by the Audit Committee.

6.3 The Head of Internal Audit and his/her staff, shall have authority to:-

6.3.1 Enter at all reasonable times on any Council premises or land,

6.3.2 Have access to all records, documents and information relating to the business of the Council.

6.3.3 Require and receive such explanations as are necessary concerning any matter under examination, and,

6.3.4 Require any employee of the Council to produce cash, stores or any other Council property under their control.

6.4 The Internal Audit Section shall be sufficiently independent to enable its auditors to perform their duties in a manner which will allow their professional judgements and recommendations to be effective and impartial.

6.5 It is a management responsibility to apply sound internal controls in the Authority's systems and to maintain those controls. This includes responsibility for the prevention and detection of fraud and other illegal acts. However, the Head of Internal Audit should be consulted about any significant proposed changes to existing systems and implementation of new systems, and make recommendations on the standard of control to be applied.

6.6 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the authority, the Head of Service concerned shall forthwith notify the Head of Finance and the Head of Internal Audit. The Head of Finance and the Head of Internal Audit and, as necessary, the Council's Monitoring Officer, shall also be informed of the steps that the Head of Service has taken/intends to take by way of investigation or other action.

External Audit

<p>Why is this important?</p> <p>The Local Government Finance Act 1982 set up the Audit Commission, which is responsible for appointing external auditors to each Local Council in England and Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.</p> <p>The code of audit practice issued in March 2000 sets out the auditor's objectives to review and report upon the financial aspects of the audited body's financial statements including compliance in respect of the preparation and publication of the Corporate Performance Plan</p>
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6.7 The external auditors shall be given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purposes of their work.

6.8 There should be effective liaison between the external and internal auditors.

6.9 The external auditors will present their Audit Plan, Annual Governance Report and other findings to the Audit Committee and/or full Council as deemed necessary.

7. Preventing Fraud and Corruption

Why is this important?

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council. The Council's expectation of propriety and accountability is that Members and Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The Council also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.

7.1 The Head of Audit to develop and maintain an anti-fraud and anti-corruption policy.

7.2 All Heads of Service are expected to maintain adequate and effective internal control arrangements, with advice from the Head of Audit and/or Head of Finance.

7.3 Where suspected irregularities are reported to the Head of Audit or Chief Executive the necessary investigations be carried out expediently and any resulting actions be reported as appropriate.

8. Banking arrangements and Cheques

8.1 All arrangements with the Council's Bankers shall be made by or under arrangements approved by the Head of Finance, who shall be authorised to operate such banking accounts, including National Giro accounts as he may consider necessary.

8.2 All cheques, including National Giro payment forms, shall be ordered only on the authority of the Head of Finance who shall make proper arrangements for their safe custody.

8.3 Cheques on the Council's banking accounts, including National Giro accounts shall bear the facsimile signature of the Head of Finance, signed by the Head of Finance or other officer authorised to do so. Two signatures are required on cheques in excess of £50,000.

8.4 All electronic payments such as CHAPS and BACS must be made in accordance with the internal controls and authorisations approved by the Head of Finance.

9. Treasury Management, Investments, Borrowing and Trust Funds

Why is this important?

Many millions of pounds pass through the Council's books each year. This has led to the establishment of codes of practice. These codes aim to provide assurance that the Council's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Council's capital sum.

9.1 This Council has adopted CIPFA's Code of Practice on Treasury Management in Local Authorities.

9.2 A Treasury Management Policy Statement setting out its strategy and procedures shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Executive.

9.3 All money in the hands of the Council shall be aggregated for the purposes of treasury management and shall be under the control of the Head of Finance being the officer designated for the purposes of Section 151 of the Local Government Act 1972, referred to in the Code as the Chief Financial Officer.

9.4 All executive decisions on borrowing, investing or financing shall be delegated to the Head of Finance or, through him, to his staff, who shall all be required to act in accordance with CIPFA's Code of Practice on Treasury Management in Local Authorities.

9.5 The Head of Finance shall report to the Executive and the Council not less than once in each financial year on the activities of the Treasury Management operation and on the exercise of the Treasury Management powers delegated to him. Such reports shall comprise an Annual Report on Treasury Management for presentation by 30th September of the succeeding financial year.

9.6 The Council shall invest only with institutions approved, and within criteria set by the Council on recommendation by the Executive within the terms of the Treasury Management Policy.

9.7 All investments and borrowing of money under its control shall be made in the name of the Council or in the name of nominees approved by the Council; bearer securities shall be excluded from this regulation but any purchase of such securities shall be reported to the Council.

9.8 All securities held in the name of the Council or its nominees shall be held by the Head of Finance under secure arrangement.

9.9 The Head of Finance shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.

9.10 All officers acting as trustees by virtue of their official position shall deposit all securities etc, relating to the trust with the Corporate Services Director, unless the deed otherwise provides.

EXPENDITURE

<p>Why is this important?</p> <p>Public money should be spent with demonstrable probity and in accordance with the Council's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Council's procedures should help to ensure that its services obtain value for money from their purchasing arrangements.</p>

10. Selective Tendering

(Please refer also to Standing Orders with Regard to Contracts).

10.1 All Selective Tendering procedure shall comply with Standing Orders with Regard to Contracts.

10.2 For work carried out on an agency basis for the Kent County Council, or other statutory authority, the Council shall adopt the use of such authorities' procedures for the appointment of contractors and other contractual processes. In the absence of any established agent procedures Swale Borough Council's own requirements, as outlined within these Financial Standing Orders and Standing Orders with Regard to Contracts, shall prevail.

11. Contracts for Services, Building, Constructional or Engineering Work

11.1 The responsible Head of Service shall provide the Head of Finance with the details and conditions of any contracts/agreements in respect of Capital Works, Repairs and Maintenance where payment is to be made net of retention monies, and which require payment by instalments. This shall also apply to Professional Fees to be paid by instalments.

11.2 The responsible Head of Service shall provide the Head of Finance with the details and conditions of any contracts/agreements in respect of Goods and Services which require payment by instalments. Included in this category would be the major service contracts for Refuse Collection, Street Sweeping, Public Conveniences, Leisure Management and Grounds Maintenance.

11.3 Where a certificate is not available for a Services Contract, payment shall be made on an invoice or other documentation in a form acceptable to the Head of Finance, and certified by an authorised officer.

11.4 All variations shall be authorised in writing by an authorised officer or consultant.

11.5 Any variation or costs which are likely to have a significant effect on the approved tender sum shall be reported by the Head of Service to the Executive and the Council as soon as is practicable. The report shall detail the cumulative effect on the original tender sum. Significance shall be determined by Corporate Management Team and/or the appropriate Head of Service in consultation with the Head of Finance.

11.6 The final certificate of completion of any contract shall not be issued until the contractor, private architect, engineer or consultant, has produced a detailed statement of account, and all relevant documents to the Council's officer responsible for the supervision of the contract as defined under the terms of the particular contract who shall examine final accounts for contracts and make all such enquiries and receive such information and explanations as he may require in order to satisfy himself as to the accuracy of the accounts.

11.7 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Head of Legal for consideration of the authority's legal liability and, where necessary to the Head of Finance for financial consideration before a settlement is reached.

12. Orders for Work, Goods and Services

12.1 Official orders and associated commitments are only to be raised and entered into the accounting system by officers authorised by the appropriate Head of Service, who shall be responsible for official orders issued from his Service Unit. (The estimated cost of the order should always be entered on the system.)

12.2 Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments such as rent or rates, for petty cash purchases or such other exceptions as the Head of Finance may approve. Verbal orders must be confirmed by the issue of an Official Order clearly marked "Confirmation Only".

12.3 Each order shall conform with the directions of the Council with respect to central purchasing and the standardisation of supplies and materials. Quotations or tenders for all orders should be sought in accordance with the Council's Standing Orders with Regard to Contracts.

12.4 A copy of each order shall be kept by the Head of Service raising the order and be available for inspection by the Head of Finance and his nominated staff.

Table setting out financial thresholds and procedures

Total value £	Type of contract	Procedure to be used
0 to 15,000	works, supplies and services	<ul style="list-style-type: none"> a) At least two quotes in advance b) All purchases however small to be in writing, on an official order c) Consideration given to Purchasing Scheme's e.g. to provide better VFM d) Approved by the relevant Head of Service or authorised officer e) Records maintained to demonstrate probity and VFM obtained
15,000 to 74,999	works, supplies and services	<ul style="list-style-type: none"> a) At least three written tenders in advance b) Tenders opened at the same time by the Democratic and Electoral Services Manager (or nominee), the Responsible Officer (or nominee) and an independent senior officer. c) Record to be entered on the Council s Contract Register d) Contracts in writing using the standard clauses and to include the core clauses as set out within the CSOs document e) For contracts between £30,000 and £74,999, prior to the award of contract the proposed successful contractor shall be subject to financial appraisal by Financial Services. f) Award of contract approved by the Responsible Officer plus signed by another officer g) Risk assessment conducted (in writing) and kept on the file
75,000 to 139,892**	works, supplies and services	<ul style="list-style-type: none"> a) At least three written tenders in advance b) Advertised by public notice c) List of contractors invited to tender approved by the Responsible Officer d) Tenders opened at the same time by the Democratic and Electoral Services Manager (or nominee), the Responsible Officer (or nominee), and independent senior officer e) Tenders subjected to Financial Appraisal prior to invitation to tender. f) Approval required from the Executive for award of contract, waiver from CSOs and extensions to contracts. g) Contract executed as a deed h) Record of the contract entered on the Councils Contract Register i) Standard contract clauses to be used and to include the core clauses as set out within the CSOs document j) Risk assessment conducted (in writing) and kept on the file
139,893** plus **EU	Supplies and services	<ul style="list-style-type: none"> a) EU Rules apply – full competitive process with tenders following advertisement in the OJ for supplies and Part A* services. For Part B* services reduced requirements apply but there is a presumption in favour of advertising

Threshold		and a competitive process. b) Points a; c; d; e; f; g; h; I and j as above for works, supplies and services for £75,000 to £139,892**
139,893 to 3,497,312**	Works	a) Points a – j as above for works, supplies and services for £75,000 to £139,892**
3,497,313** plus **EU Threshold	Works	a) EU Rules apply – full competitive process with tenders following advertisement in the OJ b) Points a; c; d; e; f; g; h; I and j as above for works, supplies and services for £75,000 to £139,892**

* For the purposes of the EU Rules services are divided into two types and the EU Rules apply to a different degree. Responsible Officers should act cautiously and seek advice when considering the procedure to be used and application of the EU Rules to services contracts. ** or relevant threshold in force at the time under the EU Rules

Where contracts are of a type and value which means that they are subject to the EU Rules then there are four main types of EU procedures available. These are the open, restricted, competitive dialogue and competitive negotiated procedures. Care must be taken to ensure that the correct and most appropriate procedure is used and assistance on the choice and use of EU procedure should be sought from Legal Services or your Consultant.

13. Payment of Accounts

13.1 Apart from imprest accounts, the normal method of payment of money due from the Council shall be by cheque or BACS or other instrument drawn on the Council's banking account or National Giro Account by the Head of Finance.

13.2 The Head of Service issuing an order is responsible for examining, verifying and certifying the related invoice(s) and any other payment vouchers or accounts arising from sources in his Unit. Such certification shall be via the Agresso certification workflow system based on the scanned images of the related invoices or such other payment vouchers by or on behalf of the Head of Service.

13.3 The Head of Service must ensure that all invoices or other payment vouchers including internally generated proformas are sent to the Exchequer Section for scanning into the Agresso certification workflow system as soon as they are received or internally generated. This will help to make payment within the Performance Indicator target of 30days from receipt of invoice.

13.4 Certification of accounts should not be unduly delayed, BUT before certifying an account, the certifying officer shall have satisfied himself/herself that:-

13.4.1 The work, goods or services to which the account relates have been received, carried out, examined and approved;

13.4.2 The prices, extensions, calculations, trade discount, other allowances, credits and tax are correct. With regard to VAT, VAT invoices may only be altered with the permission of the Customs and Excise Department. Otherwise adjustments must be made with the knowledge of the supplier, normally by issuing credit notes or supplementary invoices;

13.4.3 The relevant expenditure has been properly incurred, and is within the relevant estimate provision;

13.4.4 Appropriate entries have been made in inventories, stores records or stock books as required, and,

13.4.5 The account has not been previously passed for payment and is a proper liability of the Council.

13.5 Each Head of Service shall, as soon as possible after 31st March notify the Head of Finance of all outstanding expenditure relating to the previous financial year, (i.e. Goods and services received by 31st March but not yet paid for, known as "Reserved Creditors").

14. Salaries and Members Allowances

14.1 The payment of all salaries, members allowances, compensations, gifts and other emoluments to all employees or former employees of the Council shall be made by the Head of Finance.

14.2 Each Head of Service or Corporate Management Team shall notify the Organisational Development Unit as soon as possible of all matters affecting the payment of such emoluments, and in particular:-

14.2.1 Appointments, resignations, dismissals, suspensions, secondments, transfers and casual employment;

14.2.2 Absences from duty for sickness or other reason, apart from approved leave;

14.2.3 Changes in remuneration, other than normal increments and pay awards and agreements of general application;

14.2.4 Information necessary to maintain records of service for superannuation, income tax, national insurance and the like.

14.3 All time records or other pay documents shall be in a form prescribed or approved by the Head of Finance and shall be certified in manuscript by or on behalf of the Head of Service.

15. Travelling, Subsistence and Training Expenses

15.1 Claims for payment of car allowances, college expenses, travelling and subsistence allowances shall be made in a form approved by the Head of Finance.

15.2 Claims shall be certified by an authorised officer or elected member in the case of their own claims.

15.3 Claims shall normally be made monthly and passed to the Payroll Section within 5 calendar days of the end of the month.

15.4 Certifying officers are responsible for ensuring, to the best of their knowledge, that the claims relate to journeys made and expenses properly incurred whilst carrying out official duties or training.

16. Petty Cash and Cash Floats

16.1 The Head of Finance shall provide officers with petty cash accounts and cash floats, as he considers necessary. Petty cash will be maintained on the imprest system.

16.2 No income received on behalf of the Council may be paid into such accounts. (Income received must be banked, or paid in, in accordance with Financial Regulation No. 18).

16.3 Payments made from such accounts shall normally be of a minor nature (maximum £20 per item), as determined by the Head of Finance. However, the Head of Finance has discretion to make larger payments in exceptional cases. All payments will be supported by receipted vouchers.

16.4 The officer responsible for petty cash accounts or cash floats will provide the Head of Finance with a certificate regarding the state of the account, when requested.

16.5 Officers shall account to the Head of Finance in full for the petty cash or float advanced:-

16.5.1 On leaving the employment of the Council;

16.5.2 On ceasing to require petty cash/cash float to carry out their duties; or

16.5.3 at any time if so required.

17. **Authorised Signatories**

17.1 The Chief Executive, Strategic Directors and Heads of Service shall determine who is authorised to sign official documents on their behalf.

17.2 The Chief Executive, Strategic Directors and Heads of Service shall provide the Head of Finance with up-to-date lists of specimen signatures of authorised officers.

17.3 The Head of Finance shall maintain a register of all officers authorised to sign official documents.

17.4 The Head of Legal, and any other officer authorised by him, are authorised to seal any document. (See also Delegation to the Corporate Services Director).

INCOME

Why is this important?

Income can be a vulnerable resource and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cashflow and also avoids the time and cost of administering debts.

18. **Income**

18.1 The collection, recording and banking of money due to the Council shall be under the supervision of or under arrangements approved by the Head of Finance. (The collection of council tax and business rates (NNDR) are under the supervision of the Head of IT and Customer Services)

18.2 Each Head of Service shall furnish the Head of Finance with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by him, to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due (i.e. the raising of sundry debtors). The accounts for Housing Benefit overpayments are dealt with separately within the Benefits Section.

18.3 The Head of Finance shall be notified promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council.

18.4 Receipt forms, tickets, official order forms and other such financial stationery (excluding cheques and other negotiable instruments) shall normally be ordered and held as controlled stationery by the appropriate Head of Service, who shall be responsible for their adequate security and control. Such arrangements, together with the design and format of financial stationery, shall be approved by the Head of Finance. Certain multi-user items shall be ordered and controlled by the Head of Finance who shall also periodically review the Authority's overall controlled stationery arrangements.

18.5 All money received by an officer on behalf of the Council shall without delay be paid to the Head of Finance or, as he may direct, to the Council's banking account or PayPoint account; no deduction may be made from such money.

18.6 Personal cheques shall not be cashed out of the money held on behalf of the Council.

18.7 Payments to staff or for goods and services shall not be paid from monies received.

18.8 Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off, unless the debt has a factual inaccuracy or administrative error in the calculation or other administrative error. In all cases the reason for cancellation shall be documented.

18.9 Once raised, no bona fide debt or part of the debt may be written off, unless the reason for write off is fully documented and approved by the Head of Finance (or in the case of council tax, business rates or housing benefit overpayments by the Head of IT and Customer Services)

- (a) all debts arising from bankruptcies and liquidations, which are not covered by distributions from liquidators, receivers or administrators; and
- (b) any other single amount due to the Council up to £5,000 or with Corporate Management Team approval £10,000. Any outstanding debt in excess of this amount can only be written off with the consent of the Executive Member for Performance & Finance.

18.10 It is the responsibility of all Heads of Service to assist with appropriate recovery action in conjunction with the Head of Finance, including legal action where necessary, for debts not paid promptly, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.

18.11 Each Head of Service shall as soon as possible after 31st March notify the Head of Finance of all uncollected income on accounts not rendered relating to the previous financial year (i.e. Goods and services delivered by 31st March but not yet paid for, known as "Reserved Debtors").

CONTROL OF ASSETS

Why is this important?

The Council holds assets in the form of property, computers, equipment, vehicles, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

19. Inventories

19.1 The Chief Executive, Directors and Heads of Service shall be responsible for the security and safe keeping of all equipment, stores and other property under their control in accordance with procedures approved by the Head of Finance.

19.2 Inventories shall be maintained in a manner approved by the Head of Finance, where the value exceeds £500. Attractive and portable items such as computers, cameras video/DVD recorders/players should also be included in the inventory and identified with security markings as belonging to the Council including any detection markings such as those detected under infra red light, post codes etc. Where possible, all other items should be marked as belonging to the Council.

19.3 Each Head of Service shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and annotating the inventory accordingly.

19.4 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes.

19.5 Any acquisition, disposal or transfer of items of property must be recorded on the inventory at the time when the physical transaction takes place.

19.6 None of the Council's property shall be sold, scrapped or otherwise disposed of without prior sanction of the responsible Head of Service. All disposals shall be by competitive tender or by a method approved by the Head of Finance.

20. Land and Property

20.1 The Head of Legal shall maintain a terrier of all properties owned by the Council (except dwellings provided under the Housing Acts), and a record of the Council's interests in land.

20.2 The form of the record is as laid down by the Head of Legal, but should detail:-

20.2.1 The purpose for which the property is held;

20.2.2 Location and plan reference;

20.2.3 area/size of land/property;

20.2.4 The Council's interest in the land/property (egg freehold/leasehold);

20.2.5 Purchase details;

20.2.6 Rents payable;

20.2.7 Tenancies granted;

20.2.8. The vesting body.

20.3 The Head of Legal shall notify the Head of Finance and other appropriate Heads of Service of rights and liabilities in connection with land or property newly acquired or controlled by the Council. He shall also advise of any disposal of land or property.

20.4 The Head of Legal shall have the custody of all Title Deeds under secure arrangements.

20.5 The Head of Legal shall keep up to date records of maintenance, rent reviews and other related matters of all properties owned or controlled by the Council.

21. Stocks and Stores

21.1 Each Head of Service shall be responsible for the care and custody of the stocks and stores in his/her Unit.

21.2 Stocks shall not be in excess of normal requirements except in special circumstances with the approval of the Council.

21.3 Heads of Service shall arrange for periodical test examinations of stocks by persons other than store-keepers and shall ensure that all stocks are checked at least once in every year, by means of a continuous stock take.

21.4 The Head of Finance shall be entitled to receive from each Head of Service such information as he requires in relation to stores for the accounting, costing and financial records. Surplus materials, stores or equipment shall be disposed of, by competitive tender or by a method approved by the Head of Finance.

22. Security

22.1 Each Head of Service shall be responsible for maintaining proper security at all times for stocks, stores, furniture, equipment, cash, etc under his/her control. Officers having responsibility for buildings or the sections of buildings will be designated.

22.2 Maximum limits for cash holdings shall be agreed with the Head of Finance and shall not be exceeded without his express permission.

22.3 The specification of all safes and similar receptacles is to be checked for compliance with the Head of Finance to ensure its acceptability to the Council's insurers.

22.4 Keys to safes and similar receptacles are to be carried on the person of those responsible at all times; the loss of any such keys must be reported to the Head of Finance immediately. Combination for safes and receptacles are to be held by the person responsible, and by the Head of Finance.

22.5 The Head of IT and Customer Services shall be responsible for maintaining proper security and privacy in respect of information held on the networked computer systems.

22.6 Heads of Service shall immediately report all breaches of security (and associated damage) to the Police. The Head of Service, in consultation with the Head of Finance and Head of Audit shall consider both insurance and internal control implications and take appropriate action.

23. Insurances

23.1 The Head of Finance shall affect all insurance cover and negotiate all claims in consultation with other officers where necessary.

23.2 Heads of Service shall give prompt notification to the Head of Finance of all new risks, properties, equipment (including portable equipment) or vehicles which require to be insured and of any alterations affecting existing insurances.

23.3 Heads of Service shall forthwith notify the Head of Finance in writing of any loss, liability or damage or any event likely to lead to a claim, and, if appropriate, inform the police unless otherwise decided by the Head of Service concerned.

23.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

23.5 The Head of Finance shall periodically review all insurance in consultation with other Heads of Service as appropriate.

23.6 Heads of Service shall consult the Head of Finance and the Head of Legal regarding the terms of any indemnity which the Council is requested to give.

23.7 To comply with the Council's insurance policies, no admission of liability shall be made by any officer without the prior agreement of the insurers.

24. Intellectual Property and Management of Information (Financial and Non Financial)

24.1 Intellectual property is a generic term that includes inventions and writings if these are created by any employee during the course of their employment, as a general rule, they belong to the employer, not the employee.

24.2 Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

25. Security

25.1 Each Head of Service shall be responsible for maintaining proper security and privacy of all information held within their Service Unit, including that held on p.c. and laptop based systems.

25.2 The Head of IT and Customer Services shall be responsible for maintaining proper security and privacy of all information held on the networked computer systems.

25.3 Each Head of Service shall ensure there are controls in place so that staff do not carry out private work in Council time and that staff are aware of an employer's rights with regard to intellectual property.

PARTNERSHIPS

Why is this important?

Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes. Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others. The Council is particularly liable where it is the designated lead and/or accountable body.

26. General

26.1 The main reasons for entering into a partnership are:

- (a) the desire to find new ways to share risk;
- (b) the ability to access new resources;
- (c) to provide new and better ways of delivering services; and
- (d) to forge new relationships.

26.2 A partner is defined as either:

- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project, or
- (b) a body whose nature or status give it a right or obligation to support the project.

26.3 Partners participate in projects by:

- (a) acting as a project deliverer or sponsor, solely or in concert with others;
- (b) acting as a project funder or part funder; and
- (c) being the beneficiary group of the activity undertaken in a project.

26.4 Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;
- (c) be open about any conflict of interests that might arise;
- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; and
- (f) to act wherever possible as ambassadors for the project.

26.5 Financial matters relating to arrangements whereby one Council administers funds jointly on behalf of itself and others shall be subject to the Financial Procedure Rules of the administering Council, unless these Rules are more stringent.

27. Specific Responsibilities

27.1 The Council's appointed Lead Officer for the partnership will report as necessary to the Executive and will take overall responsibility other than those responsibilities set out below.

27.2 The Head of Finance and the Council's lead officer for the partnership to advise on the key elements of funding a project. They include:

- (a) a scheme appraisal for financial viability in both the current and future years;
- (b) risk appraisal and management;
- (c) re-sourcing, including taxation issues;
- (d) audit, security and control requirements; and
- (e) carry-forward arrangements.

27.3 The Head of Finance will ensure that the accounting arrangements are satisfactory.

27.4 Heads of Service will maintain a record of all contracts entered into with external bodies in accordance with procedures specified by the Head of Finance.

27.5 Heads of Service will ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Corporate Services Director and Head of Finance.

27.6 Heads of Service will ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.

27.7 Heads of Service will ensure that all agreements and arrangements are properly documented and that the appropriate governance arrangements have been approved by the Corporate Services Director.

27.8 Heads of Service will provide appropriate information to the Head of Finance to enable a note to be entered into the Council’s Statement of Accounts concerning material items.

28. External Funding

Why is this important?

External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the National Lottery and the single regeneration budget provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council’s overall plan.

28.1 The Head of Service and nominated Lead Officer for the external funding will report to as necessary to the Executive and will take overall responsibility other than those responsibilities set out below.

28.2 The Head of Finance to ensure that all funding notified by external bodies is received and properly recorded in the Council’s accounts.

28.3 The Head of Finance to ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

28.4 The Head of Finance to ensure that all specified audit requirements are met.

28.5 The Lead Officer to ensure that all claims for funds are made by the due date.

28.6 The Lead Officer to ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

29. Work for third parties

Why is this Important?

Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires (i.e. legal).

29.1 The Head of Service and nominated Lead Officer for the work for third parties will report to as necessary to the Executive and will take overall responsibility other than those responsibilities set out below.

29.2 The Corporate Services Director and Head of Legal will advise on the governance arrangements and intra vires position.

29.3 The Head of Finance will issue guidance with regard to the financial aspects of third party contracts and the maintenance of the Council's contract register held by Legal Services.

29.4 The Head of Service and nominated Lead Officer will ensure that the approval of the Executive where necessary is obtained before any negotiations are concluded to work for third parties.

29.5 The Head of Service or nominated Lead Officer will ensure that appropriate insurance arrangements are made.

29.6 The Head of Service or nominated Lead Officer will ensure that the Council is not put at risk from any bad debts.

29.7 The Head of Service or nominated Lead Officer will ensure that no contract is subsidised by the Council.

29.8 The Head of Service or nominated Lead Officer will ensure that, wherever possible, payment is received in advance of the delivery of the service.

29.9 The Head of Service or nominated Leader Officer will ensure that the department/unit has the appropriate expertise to undertake the contract.

29.10 The Head of Service or nominated Lead Officer will ensure that such contracts do not impact adversely upon the services provided for the Council.

29.11 The Head of Service or nominated Lead Officer will ensure that all contracts are properly documented.

29.12 The Head of Service or nominated Lead Officer will provide appropriate information to the Head of Finance to enable a note to be entered into the statement of accounts.