



**MERSEYSIDE WASTE DISPOSAL  
AUTHORITY**

**FINANCIAL PROCEDURAL RULES**

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## **FINANCIAL PROCEDURAL RULES**

### **SECTION A** **FINANCIAL MANAGEMENT**

#### **1. GENERAL**

- 1.1. The Authority is responsible for approving the annual Budget, any amendments thereto (subject to any delegated responsibilities) and the determination of the Waste Disposal Levy.
- 1.2. The Authority is responsible for formulating a policy framework and for monitoring compliance with agreed policy.
- 1.3. The Authority is responsible for approving the Annual Statement of Accounts.

#### **2. THE ROLE OF THE DIRECTOR OF WASTE DISPOSAL**

- 2.1. The Director of Waste Disposal (the Director) is responsible for the corporate and overall strategic management of the Authority.
- 2.2. The Director shall report to and provide information to the Authority.
- 2.3. The Director is responsible for establishing a management structure for the Authority and for monitoring the performance of the organisation. The Director is responsible for reporting performance to the Authority.
- 2.4. Together with the Clerk to the Authority, the Director is responsible for the system of record keeping with regard to the Authority's decisions.

#### **3. THE ROLE OF THE MONITORING OFFICER**

- 3.1. The Monitoring Officer shall be the officer appointed in accordance with section 5 of the Local Government and Housing Act 1989, responsible for reporting any actual or potential breaches of the law or maladministration to the Authority.
- 3.2. The Monitoring Officer is responsible for advising about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.
- 3.3. The Monitoring Officer is responsible for maintaining an up-to-date constitution.

#### **4. THE ROLE OF THE TREASURER TO THE AUTHORITY**

- 4.1. The Treasurer to the Authority shall be the Assistant Director (Finance). The Treasurer shall be responsible for advising the Authority and Members on all financial matters.
- 4.2. The Treasurer to the Authority (the Treasurer) shall be the officer appointed under section 73 of the Local Government Act 1985 and shall be responsible for the proper financial administration of its financial affairs except where this is properly delegated to officers nominated by the Treasurer, where appropriate. (This is the equivalent of the section 151 Officer appointed to other local authorities under the Local Government Act 1972)
- 4.3. The Treasurer also has duties to the Authority under section 114 of the Local Government Finance Act 1988 and shall make a statutory report to the Authority if it appears that the Authority or an officer of the Authority:
  - i. has made or is about to make a decision which involves or would involve incurring expenditure which is unlawful;
  - ii. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency in the part of the Authority;
  - iii. is about to enter an unlawful item of account; or
  - iv. where it appears that the expenditure incurred (or to be incurred) in a financial year is likely to exceed the resources (including borrowing) available to the Authority.
- 4.4. Where the Treasurer makes such a report then there is a statutory requirement for the report to be considered by the Authority, for the Authority to decide whether it agrees the report and for the Authority to propose any action that needs to be taken as a result.
- 4.5. The Treasurer is responsible for issuing instructions for safe and efficient arrangements for the receipt of monies payable to, and for payments made by, the Authority.
- 4.6. The Treasurer shall be the certifying officer for the purposes of contract certification under the Local Government (Contracts) Act 1997.
- 4.7. All principal accounting records of the Authority shall be determined and compiled by the Treasurer or as the Treasurer directs. The Treasurer shall exercise overall supervision and control over the form and standard of all financial records, statements and accounts

kept by the Authority, and will determine the period for which such documents are kept.

- 4.8. The Treasurer (together with the Monitoring Officer) is responsible for advising the Authority about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:
- i. initiating a new policy;
  - ii. committing expenditure in future years to above the budget level; and
  - iii. causing the total expenditure to be financed from corporately held reserves to increase by more than a specified amount

## **5. FINANCIAL MANAGEMENT STANDARDS**

- 5.1. The Treasurer shall ensure the proper administration of the financial affairs of the Authority and shall set the financial management standards and monitor compliance with them. The Treasurer shall ensure proper professional finance practices are established for the Authority and adhered to.
- 5.2. The Treasurer shall be responsible for selecting accounting policies and ensuring that they are applied consistently.
- 5.3. The Treasurer is responsible for ensuring that the annual statement of accounts is prepared in accordance with statutory proper accounting practice (therefore, in accordance with the relevant and extant guidance from CIPFA/LASAAC).

## **6. MANAGING EXPENDITURE**

- 6.1. The Director together with the Treasurer shall arrange for the implementation of effective budgetary control and shall designate relevant accountable officers to manage elements of the budget.
- 6.2. The Director and budget managers shall monitor expenditure and income against their revenue and capital budgets.
- 6.3. The Director and Budget managers working with the Treasurer shall report on progress against budgets during the year. This shall include such explanation as is required by the Treasurer to explain significant over and underspending against budgets and plans to rectify any unplanned adverse positions.

- 6.4. The Director and budget managers are authorised to incur expenditure in accordance with the estimates included in the approved budget.
- 6.5. Any expenditure or proposed expenditure that has the effect of varying Authority policy must be agreed with the Treasurer and approved by the Authority before being incurred.
- 6.6. Any expenditure that enters the Authority into future financial commitments for which funding is not yet identified must be agreed by the Treasurer and approved by the Authority before it is incurred and a commitment entered into.
- 6.7. Temporary virement of revenue expenditure may be allowed on any one Authority approved item in the year of account. This shall be made subject to the following limitations:
  - i. temporary virement of up to £50,000 of revenue expenditure may be allowed, this shall be made by an Administrative decision of the Director in consultation with the Treasurer;
  - ii. temporary virement of over £50,000 of revenue expenditure may be allowed rarely, this shall be an Executive Decision taken by the Director in consultation with the Treasurer and subject to scrutiny by Members; and
  - iii. temporary virement of over £250,000 may be allowed but only in exceptional circumstances, this shall be a Key Decision of the Authority and subject to a report by the Director and the Treasurer.
- 6.8. At the end of each budget year any residual overspending in a budget manager's budget may be carried forward as a first call on the following year's budget. Such a carry forward of overspending shall be subject to approval of the Authority and such decision shall be made taking into account the Authority's financial position as a whole and compared with the individual budget line and the actions taken to manage the budget by the budget manager.

## **7. STATUTORY ACCOUNTING, GRANTS AND RETURNS**

- 7.1. The Treasurer will determine the accounting procedures and records for the Authority and will arrange for the compilation of all accounts and accounting records under his/her direction.
- 7.2. The Treasurer will

- i. draw up the timetable for final accounts preparation;
- ii. prepare the Authority's statement of accounts in accordance with statutory proper accounting practices and arrange for the publication of the audited accounts in accordance with the statutory timetable;
- iii. make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations 2003 (as amended);
- iv. ensure that all claims for funds, including grants, are made by the due date; and
- v. ensure the completion and submission of returns.

**SECTION B**  
**FINANCIAL PLANNING****1. PERFORMANCE PLANS**

- 1.1. The Director shall be responsible for the development of corporate and service plans and performance information.
- 1.2. The Treasurer shall be responsible for advising on, and supplying the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.

**2. BUDGETING**

- 2.1. The Director will:
  - i. prepare estimates of income and expenditure, in consultation with the Treasurer, to be submitted to the Authority
  - ii. integrate financial and budget plans into service planning so that budget plans can be supported by financial and non-financial performance measures.
  - iii. when drawing up draft budget requirements, have regard to
    - a) spending pattern and pressures revealed through the budget monitoring process
    - b) legal requirements
    - c) the Authority's policy requirement
    - d) initiatives already under way
- 2.2. The Treasurer together with the Director shall provide budget prospects over the medium term (three years) to assist in strategic planning.
- 2.3. The Treasurer will advise on methods available for the funding of resources such as grants and borrowing requirements.
- 2.4. The Director will work within budget limits and utilise resources allocated in the most efficient, effective and economic way and will continually endeavour to identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

- 2.5. The Treasurer together with the Director shall establish an appropriate framework of budgetary management and control which ensures that
- i. Budget managers receive timely information on receipts and payments for each budget head that is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
  - ii. Expenditure is committed only against an Authority approved budget head
  - iii. All officers responsible for committing expenditure comply with relevant guidance and the Authority's financial regulations
  - iv. Each cost centre/ capital project has a single named manager determined by the Director
  - v. Significant variances from approved budgets are investigated and reported by budget managers
- 2.6. The Treasurer together with the Director shall encourage best use of resources by identifying opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of developments or savings options, and in developing financial aspects of service planning.

### **3. CAPITAL**

- 3.1. The Director in consultation with the Treasurer will prepare an annual capital budget (the capital programme) in line with the capital strategy. The capital budget will identify the Authority's planned capital expenditure for the next three years. The capital budget will identify internal and external sources of finance for the Authority's proposed capital expenditure.
- 3.2. The Director shall ensure that capital payments meet the statutory requirements that apply to capital expenditure, in liaison with the Treasurer. The Director shall monitor and report on the progress of the capital programme during the year and at the end of each year.
- 3.3. Where there is a material variation from the capital programme, usually slippage, the Director will provide a report to the Treasurer and for the Authority to confirm the reasons for the variation and the actions that are to be taken to manage and rectify the position.

**4. MAINTENANCE OF RESERVES**

- 4.1. The Treasurer will advise the Authority annually on prudent levels of reserves. The prudent level of reserves will take into account the risks faced by the Authority that the Treasurer and the Director are able to identify.
- 4.2. The Director and the Treasurer will ensure that resources are only used for the purposes for which they were intended.

**5. PRUDENTIAL INDICATORS**

- 5.1. The Treasurer shall provide an annual report to the Authority on the level of Prudential Borrowing proposed to support the Authority's capital programme.
- 5.2. The Treasurer shall report to the Authority on a range of Prudential Indicators as specified by CIPFA in its 'Prudential Code'. The Indicators set the prudent limits for the Authority's borrowing and demonstrate the affordability and impact on the levy of the proposed levels of borrowing. The Prudential Indicators shall show the effect for the next three years of the Authority's activity so that the impact of proposed borrowing over time can be shown to be prudent and affordable.
- 5.3. The Treasurer shall report to the Authority annually on the actual levels of performance for each of the Prudential Indicators.

**SECTION C**  
**RISK MANAGEMENT AND CONTROL OF RESOURCES**

**1. RISK MANAGEMENT**

- 1.1. The Director shall be responsible for the preparation of the Authority's risk management policy statement and for identifying all potential liabilities.
- 1.2. The Treasurer shall be responsible for the preparation of an insurance strategy and for effecting all insurance cover as is considered necessary as a result of that strategy, and negotiating claims and maintaining appropriate records.
- 1.3. The Director shall notify the Treasurer immediately of any fire, loss, accident or other event that may give rise to a decision against the Authority's insurer.
- 1.4. The Director shall submit any claims on the appropriate form to the Treasurer for processing by the Authority's insurers.
- 1.5. The Director shall take responsibility for risk management and ensure that there are regular reviews of risk, notifying the Treasurer of any new risks requiring insurance cover or alterations to existing policies.

**2. INTERNAL CONTROLS**

- 2.1. The Treasurer shall ensure that an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations are put in place.
- 2.2. The Director and the Treasurer shall establish a Primary Assurance Group to review the Authority's governance and internal control arrangements and to ensure they are effective and fit for purpose. The Group will include the Treasurer, the Monitoring Officer and the Clerk.
- 2.3. The Director shall
  - i) Manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risk
  - ii) Review existing controls in the light of changes affecting the Authority and to establish and implement new ones in line with guidance from the Treasurer, removing also controls that are unnecessary or not cost or risk effective

- iii) Ensure staff have a clear understanding of the consequences of lack of control.

### 3. **AUDIT REQUIREMENTS**

#### **INTERNAL AUDIT**

- 3.1. The Treasurer shall be responsible for maintaining an independent continuous audit of the financial records, operations and system of control as laid down in the "Guidance for Internal Auditors" issued by the Auditing Practices Board.
- 3.2. In undertaking this responsibility, the Treasurer or the Treasurer's authorised representative, shall have authority
  - i. To enter any premises or land without prior notification to examine all records, documents and correspondence relating to any financial and other transactions of the Authority
  - ii. To require and receive such explanations as he/she deems necessary in order to satisfy him/herself on any matter under consideration
  - iii. To require production of any information or items deemed necessary for the efficient and effective conduct of the audit
- 3.3. Whenever any matter arises which involves, or is thought to involve, or which may suggest the involvement of fraud, corruption or irregularities in the exercise of the Functions of the Authority, or any instances of material error or non-compliance, the Director shall immediately inform the Treasurer, who shall take the necessary steps to investigate and report on the issue and any actions to rectify any adverse position.
- 3.4. The Director shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

#### **EXTERNAL AUDIT**

- 3.5. The Treasurer will ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets

that the external auditors consider necessary for the purposes of their work and will ensure that there is effective liaison between external and internal audit.

- 3.6. The Director will ensure that all records and systems are up-to-date and available for inspection.

#### **4. PREVENTING FRAUD AND CORRUPTION**

- 4.1. The Treasurer will develop and maintain relevant anti-fraud and anti-corruption policies and monitor the effectiveness of internal control arrangements.
- 4.2. The Director will ensure that all suspected irregularities and financial improprieties are reported to the Treasurer.

#### **5. ASSETS**

- 5.1. The Treasurer will be responsible for the preparation of an Asset Management Strategy and ensure that an asset register is maintained for all assets. The register will provide information about the Authority's assets to ensure that they are;
  - i. safeguarded;
  - ii. used efficiently and effectively;
  - iii. adequately maintained; and
  - iv. valued for accounting purposes
- 5.2. The Director will ensure:
  - i. that lessees and other prospective occupiers of the Authority's land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Director in consultation with the Treasurer has been established as appropriate;
  - ii. the proper security of all buildings and other assets under his/her control;
  - iii. that no Authority asset is subject to personal use by an employee without proper authority;
  - iv. the safe custody of vehicles, equipment, furniture and other property belonging to the Authority;
  - v. that assets are identified, their location recorded and that they are appropriately marked and insured;

- vi. there is effective consultation with the Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed;
- vii. cash holdings on premises are kept to a minimum;
- viii. that keys to safes and similar receptacles are controlled by those responsible at all times; loss of any such keys must be reported to the Treasurer as soon as possible; and
- ix. that all employees are aware that they have personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Authority in some way.

## **INVENTORIES**

5.3. The Director will:

- i. maintain inventories and record an adequate description of furniture, fittings and equipment;
- ii. carry out an annual check of all items on the inventory;
- iii. ensure that attractive and portable items such as portable ICT equipment shall be identified with security markings as belonging to the Authority; and
- iv. make sure that property is only used in the course of the Authority's business, unless specific permission is given by the Director.

## **ACQUISITION, ENHANCEMENT, IMPROVEMENT AND DISPOSAL**

5.4. Working with the Treasurer the Director shall arrange for the compilation of an Annual Capital Strategy overseen by the Corporate Assets Group. The process will involve setting out:

- i. how capital projects are identified;

- ii. the current programme which allows the Authority's requirements to be met;
  - iii. the financing options available; and
  - iv. a method of evaluating option proposals for project delivery.
- 5.5. The detailed procedures for the disposal of land and property are contained within the Authority's Contract Procedural Rules and should be adhered to. Approval for the disposal of significant assets such as land, buildings, plant and equipment, should be obtained by setting out the criteria for selection of the disposal route as part of an Executive or Key Decision under the Authority's Scheme of Delegation.
- 5.6. The procedure for the disposal of other assets shall be such as to ensure proper recording and the maximising of benefit to the Authority.

#### **INTELLECTUAL PROPERTY**

- 5.7. The Treasurer will develop and disseminate good practice in relation to the Authority's intellectual property procedures.
- 5.8. The Director will ensure that controls are in place to ensure that staff do not carry out private work in Authority time and that staff are aware of the employer's rights with regard to intellectual property.

#### **6. TREASURY MANAGEMENT**

- 6.1. The Treasurer shall arrange the provision of a Treasury Management service governed by good practice as set out in the CIPFA "Code for Treasury Management in Local Authorities".
- 6.2. The service will be an integral part of the service carried out in the provider organisation for the financial support service as an agent of the Authority and therefore will be controlled under the financial procedures established for that organisation and as agreed with the Treasurer.
- 6.3. The Director and Budget Managers shall notify the Treasurer and the appointed agent responsible for Treasury Management of any significant contract payments, dates, amounts and methods of payment as soon as they are known to enable the Authority and its agent to manage its cash flows efficiently.

**7. STAFFING**

7.1. The Director shall

- i. produce an annual staffing budget;
- ii. ensure that the staffing budget is an accurate forecast of staffing levels;
- iii. monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff; and
- iv. ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.

**SECTION D**  
**FINANCIAL SYSTEMS AND PROCEDURES**

**1. GENERAL**

- 1.1. The Treasurer will determine the Authority's accounting systems and ensure that financial systems are sound. The approval of the Treasurer is required prior to the introduction of new financial systems or changes to existing systems.
- 1.2. The Director will ensure that all financial transactions have management trails which allow tracing from accounting records to original documents, the retention of which will be compliant with the Authority's document retention policies.
- 1.3. The Director will arrange for the documentation of systems and relevant staff training and will ensure that effective contingency and backup arrangements exist for computer systems.

**2. INCOME AND EXPENDITURE**

**INCOME**

- 2.1. Details of charges for work done, goods supplied or services rendered on behalf of the Authority and of all other income due to the Authority, shall be promptly notified by the Director to the Treasurer in a form approved by the Treasurer. Such form shall include provision as necessary, for the allocation of income to the relevant head of account. Value Added Tax should be accounted for separately, when applicable.
- 2.2. All monies received by the Authority shall be acknowledged at once by the issue of an official receipt, voucher or ticket or by another agreed method. All such monies shall be paid intact to the Treasurer or the Treasurer's collecting officer or subject to the Treasurer's instructions, shall be banked in the Authority's name at such intervals as the Treasurer may determine.
- 2.3. All accounts, statements or letters requiring monies to be paid to the Authority shall specify that payment must be made to the Treasurer unless agreed otherwise by the Treasurer.
- 2.4. Sums deemed to be irrecoverable shall only be approved for write off in accordance with the requirements of the Scheme of Delegations to Officers.
- 2.5. All receipt forms, books, tickets, licences and other documents representing receipts for money shall be in a form approved by the Treasurer.

- 2.6. The Director shall establish a charging policy for the supply of goods and services, including the appropriate charging of Value Added Tax, and shall ensure that the levels of fees and charges relating to services shall be reviewed annually and reported to the Authority.

## **EXPENDITURE**

### **ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

- 2.7. The purchase of equipment, goods, services and materials shall be effected through the most economical and practical means. The Director and Budget Holders must ensure that all expenditure is incurred in accordance with the Authority's Contract Procedure Rules. If a corporate contract or arrangement for the provision of particular goods or services exists this must be used. Any exceptions to this must be agreed with the Treasurer.
- 2.8. No expenditure shall be incurred or committed without approval of the order by the budget manager. All orders for goods and services shall be made through the Authority's Ordering System. Where this is not done the Treasurer shall be informed and the Treasurer's approval shall be required. The use of the Authority's Ordering System requires a budget for the goods and services being ordered, that an order and the subsequent payment against that order is properly authorised and that there is a budget code which ensures the transaction is properly recorded at the time the order is placed.
- 2.9. The Director or senior officers nominated by the Director shall be responsible for the examination, verification and certification of requisitions for payment and for the allocation of expenditure to the relevant Budget Manager. Value Added Tax should be accounted for separately where applicable.
- 2.10. All requisitions for payment shall be signed by the Director or authorised designated officer and shall include responsibility for verifying, prior to passing to the Treasurer for payment, that;
- i. the goods or services to which the invoice relates have been received;
  - ii. the prices, calculations, trade discounts, other allowances and Value Added Tax are correct, and the invoice has not previously been passed for payment;
  - iii. the expenditure is lawful; and
  - iv. the expenditure complies with the Authority's Procedural Rules.

- 2.11. The Treasurer may examine, all accounts being passed for payment and shall be entitled to receive such information and explanations as the Treasurer may require. The Treasurer shall pay all accounts which the Treasurer is satisfied represent legal payments, for which there is an approved budget, which have been properly authorised and are in order.
- 2.12. The Director shall, as soon as possible after 31 March each year and not later than a date specified by the Treasurer, notify the Treasurer, or agent, of all outstanding expenditure relating to the previous financial year. The Director shall ensure that all such expenditure relates only to work, goods or services that have been completed or delivered on or before 31<sup>st</sup> March.
- 2.13. Invoices shall be passed to the Treasurer in sufficient time to enable payment to the supplier within the agreed payment period. Variations to standard Authority payment terms shall only occur where express approval has been issued by the Treasurer.
- 2.14. Proposals to take advantage of early payment discount require approval of the Treasurer prior to such discounts being taken.
- 2.15. The Director must ensure that credit notes, refunds, or other appropriate redress is obtained when payment has been made and goods/services are subsequently deemed to be unsatisfactory.

### **3. PAYMENTS TO EMPLOYEES AND MEMBERS**

- 3.1. The Director shall maintain a record of the approved establishment of posts required to fulfil the Authority's functions.
- 3.2. The Director shall notify the Corporate Services Manager of all appointments, promotions, regradings, resignations, redundancies, dismissals, retirements, suspensions, secondments and absences from duty or any other circumstances affecting the salaries, wages or emoluments of any employee in the Authority.
- 3.3. The Treasurer shall be responsible for the payment of all payrolls. The Director shall provide the Treasurer with all information necessary to maintain records of service, superannuation, income tax, national insurance, statutory sick pay, etc. The Director shall ensure that all requests to pay employees and Members are:
- i. In respect of authorised employees and members or in respect of temporary or casual employees engaged for periods of sickness or emergency
  - ii. At salary and wage rates in accordance with nationally negotiated rates except where otherwise approved.

- 3.4. All recipients of a car allowance or other allowance, and who make claims for the reimbursement of expenses shall maintain a record, in such form as the Treasurer may require, of the basis for any such claim. For example mileage and subsistence claims shall be supported by a record of journeys, claims for other expenses shall include such receipts as are required. The record shall be produced in support of any claims for re-imburement.

#### **4. TAXATION**

- 4.1. The Treasurer will complete all Inland Revenue returns regarding PAYE.
- 4.2. The Treasurer will complete a monthly return of VAT inputs and outputs to HM Customs and Excise and will provide details to the Inland Revenue regarding the Construction Industry Tax Deduction Scheme (if appropriate).
- 4.3. The Treasurer will maintain up-to-date guidance for employees on taxation issues.
- 4.4. The Director will:
  - i. ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with H.M. Customs and Excise Regulations;
  - ii. ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary Construction Industry Tax Deduction requirements (if appropriate);
  - iii. ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency; and
  - iv. Follow the guidance on taxation issued by the Treasurer.

## **SECTION E** **EXTERNAL ARRANGEMENTS**

### **1. PARTNERSHIPS**

1.1. The Authority shall have specific responsibilities if it should make a partnership arrangement with external companies, public organisations and community and voluntary groups. Partnership arrangements are defined as any arrangement with another organisation which places responsibility for the carrying out of duties on behalf of the Authority.

- i. the nature of the partnership should be clearly stated in a partnership agreement and should include formal agreement and acceptance of each partner's roles and responsibilities;
- ii. the agreement should be subject to a risk management process to establish and manage all known risks;
- iii. standards of financial administration should be consistent with those operated by the Authority. This may mean that Financial Regulations and tendering/contract procedures will need to be shared with the partner organisations.

However this requirement needs to be considered in the context of risk and potential loss:

- i. a performance monitoring framework will need to be established to ensure the objectives of the partnership are met;
- ii. Aa formal reporting procedure should be established to report to the Authority both the financial and performance position; and
- iii. access protocols to records and documents should be established to ensure effective Audit and inspections processes

1.2. The Treasurer will advise on effective controls to ensure that resources are not wasted and that accounting arrangements are satisfactory.

1.3. The Director will maintain a register of all contracts entered into with external bodies after prior consultation with the Treasurer.

- 1.4. The Director will ensure that all partnership arrangements are properly documented, do not impact adversely upon the services provided by the Authority and that a risk assessment appraisal has been undertaken, in conjunction with the Treasurer, prior to entering such agreements. Where monies are given in advance of goods and services being received, the Director shall ensure that an appropriate service level agreement is in place between the Authority and the third party, with associated caveats on spends and deliverables being achieved. Should these deliverables not be attained, a mechanism to allow recompense to the Authority must be agreed prior to any monies being issued.

## **2. EXTERNAL FUNDING**

- 2.1. The Treasurer with the Director will ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- 2.2. The Director will ensure that match funding requirements are considered prior to entering into agreement and that future budgets reflect these requirements.
- 2.3. The Director will ensure that all claims for funds are made by the due date and that all expenditure is properly incurred and recorded.