

FINANCIAL PROCEDURAL RULESCONTENTS

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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. It 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 is responsible for the corporate and overall strategic management of the Authority.
- 2.2. He/She 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.
- 2.4. Together with the monitoring officer, the Director is responsible for the system of record keeping with regard to the Authority's decision.

3. THE ROLE OF THE MONITORING OFFICER

- 3.1. The Monitoring Officer shall be the Solicitor to the Authority and is responsible for reporting any actual or potential breaches of the law or maladministration to the Authority.
- 3.2. He/She 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.

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4. THE ROLE OF THE TREASURER TO THE AUTHORITY

- 4.1. The Treasurer to the Authority shall be the officer under Section 73 of the Local Government Act 1985 and he/she, or officers nominated

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by him/her where appropriate, shall be responsible for advising the Authority and Members on all financial matters.

- 4.2. 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.
- 4.3. All principal accounting records of the Authority shall be determined and compiled by the Treasurer to the Authority or under his/her direction. He/She 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.
- 4.4. The Treasurer to the Authority (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:
 - Initiating a new policy
 - Committing expenditure in future years to above the budget level
 - Causing the total expenditure to be financed from corporately held reserves to increase by more than the specified amount

5. FINANCIAL MANAGEMENT STANDARDS

- 5.1. The Treasurer to the Authority shall ensure the proper administration of the financial affairs of the Authority and shall set the financial management standards and monitor compliance with them. He/She shall ensure proper professional finance practices are adhered to.
- 5.2. He/She shall be responsible for selecting accounting policies and ensuring that they are applied consistently.
- 5.3. The Treasurer to the Authority 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).]

6. MANAGING EXPENDITURE

- 6.1. The Director of Waste Disposal 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 are authorised to incur expenditure in accordance with the estimates included in the approved budget.

Temporary virement of up to £50,000 of revenue expenditure shall be allowed on any one item in the year of account. This must be by an Administrative Decision with by the Director in consultation with the Treasurer.

Deleted: Budget Managers shall be allowed to use temporary virement of up to £10,000 on any one item in the year of account. This must be undertaken with the permission of the Director of Waste Disposal and the Treasurer to the Authority and can be from capital to revenue and vice versa providing the financing of capital is by revenue account.

7. STATUTORY ACCOUNTANCING, GRANTS AND RETURNS

- 7.1. The Treasurer to the Authority 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 to the Authority will
- i. Draw up the timetable for final accounts preparation
 - ii. Prepare the Authority's statement of accounts in accordance with proper practices and publish 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 1996
 - iv. Ensure that all claims for funds, including grants, are made by the due date
 - v. Ensure the completion and submission of returns

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SECTION B **FINANCIAL PLANNING**

1. PERFORMANCE PLANS

- 1.1. The Treasurer to the Authority will 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.
- 1.2. The Director of Waste Disposal will be responsible for the development of performance plans, corporate and service targets, objectives and performance information.

2. BUDGETING

- 2.1. The Treasurer to the Authority together with the Director of Waste Disposal will establish an appropriate framework of budgetary management and control that ensures that
 - i. Budget managers receive timely information on receipts and payments for each budget head which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
 - ii. Expenditure is committed only against an approved budget head
 - iii. All officers responsible for committing expenditure comply with relevant guidance and the financial regulation
 - iv. Each cost centre/ capital project has a single named manager determined by the Director of Waste Disposal
 - v. Significant variances from approved budgets are investigated and reported by budget managers
- 2.2. The Treasurer to the Authority shall provide budget prospects over the medium term (three years) to assist in strategic planning.
- 2.3. The Treasurer to the Authority together with the Director of Waste Disposal 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.
- 2.4. The Director of Waste Disposal will
 - i. prepare estimates of income and expenditure, in consultation with the Treasurer to the Authority, 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

- 2.5. The Treasurer to the Authority will advise on methods available for the funding of resources such as grants and borrowing requirements.
- 2.6. The Director of Waste Disposal 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.

3. MAINTENANCE OF RESERVES

- 3.1. The Treasurer to the Authority will advise on prudent levels of reserves for the Authority
- 3.2. The Director of Waste Disposal will ensure that resources are only used for the purposes for which they were intended.

SECTION C

RISK MANAGEMENT AND CONTROL OF RESOURCES

1. RISK MANAGEMENT

- 1.1. The Director of Waste Disposal shall be responsible for the preparation of the Authority's risk management policy statement and insurance strategy, and for identifying all potential liabilities.
- 1.2. The Treasurer to the Authority shall be responsible for effecting all insurance cover as is considered necessary as a result of that strategy, and negotiating claims and maintaining appropriate record.
- 1.3. The Director of Waste Disposal shall submit any claims on the appropriate form to the Treasurers to the Authority for processing by the Authority's insurers.
- 1.4. The Director of Waste Disposal shall take responsibility for risk management and ensure that there are regular reviews of risk, notifying the Treasurer to the Authority of any new risks requiring insurance cover or alterations to existing policies.

2. INTERNAL CONTROLS

- 2.1. The Treasurer to the Authority 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 of Waste Disposal 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 to the Authority, 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 to the Authority 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 his/her responsibility, the Treasurer to the Authority or his/her 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 of Waste Disposal shall immediately inform the Treasurer to the Authority, who shall take steps as he/she considers necessary by way of investigation and report.

- 3.4. The Director of Waste Disposal 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.

4. EXTERNAL AUDIT

- 4.1. The Treasurer to the Authority 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.
- 4.2. The Director of Waste Disposal will ensure that all records and systems are up-to-date and available for inspection.

5. PREVENTING FRAUD AND CORRUPTION

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

6. ASSETS

- 6.1. The Treasurer to the Authority will ensure that an asset register is maintained for all assets in order to provide information about the Authority's assets to ensure that they are;
 - i. Safeguarded
 - ii. Used efficiently and effectively
 - iii. Adequately maintained
 - iv. Valued for accounting purposes
- 6.2. The Director of Waste Disposal will
 - i. Ensure that leasees 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 to the Authority has been established as appropriate.
 - ii. Ensure the proper security of all buildings and other assets under his/her control.

- iii. Ensure that no Authority asset is subject to personal use by an employee without proper authority.
- iv. Ensure the safe custody of vehicles, equipment, furniture and other property belonging to the Authority.
- v. Ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- vi. Consult the Treasurer to the Authority in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- vii. Ensure cash holdings on premises are kept to a minimum.
- viii. Ensure 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 to the Authority as soon as possible.
- ix. Ensure 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.

Deleted: <#>Record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the Treasurer to the Authority, the Authority agrees otherwise.¶

7. INVENTORIES

7.1. The Director of Waste Disposal 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. Attractive and portable items such as [portable ICT equipment](#) should be identified with security markings as belonging to the Authority.
- iv. Make sure that property is only used in the course of the Authority's business, unless specific permission is given by the Director

Deleted: as computers, cameras and video recorders

8. ACQUISITION, ENHANCEMENT, IMPROVEMENT AND DISPOSAL

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

Deleted: The Director of Waste Disposal shall arrange an annual capital programme of investment to acquire improve and maintain the Authority's assets.

- how capital projects are identified
- the current programme which allows the Authority's requirements to be met.
- the financing options available; and
- a method of evaluating option proposals for project delivery.

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8.2. 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.

8.3. The procedure for the disposal of other assets shall be such as to ensure proper recording and the maximising of benefit to the Authority.

9. INTELLECTUAL PROPERTY

9.1. The Treasurer to the Authority will develop and disseminate good practice in relation to the Authority's intellectual property procedures.

9.2. The Director of Waste Disposal 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 employers rights with regard to intellectual property

10. TREASURY MANAGEMENT

10.1. The Treasurer to the Authority 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".

10.2. The service will be an integral part of the service carried out in the provider Authority for the financial support service and therefore will be controlled under the financial procedures established for that Authority.

11. STAFFING

11.1. The Director of Waste Disposal shall

- 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
- 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 to the Authority will determine the Authority's accounting systems and ensure that financial systems are sound. The approval of the Treasurer to the Authority is required prior to the introduction of new financial systems or changes to existing systems.
- 1.2. The Director of Waste Disposal will ensure that all financial transactions have management trails which allow tracing from accounting records to original documents.
- 1.3. The Director of Waste Disposal will arrange for the documentation of systems and relevant staff training and will ensure that effective contingency arrangements exist for computer systems within their scope of activity.

2. 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 of Waste Disposal to the Treasurer to the Authority in a form approved by him/her. 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 agree method, and shall be paid intact to the Treasurer to the Authority or his/her collecting officer or subject to his/her instructions, be banked in the Authority's name at such intervals as he/she 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 to the Authority unless agreed otherwise by him/her.
- 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 to the Authority.
- 2.6. The Director of Waste Disposal 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.

3. ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

- 3.1. The Director of Waste Disposal or senior persons nominated by him/her 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.
- 3.2. All requisitions for payment shall be signed by the Director of Waste Disposal or authorised designated officer and shall include responsibility for verifying, prior to passing to the Treasurer to the Authority 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
 - iv. The expenditure complies with Standing Orders and Financial Regulations.
- 3.3. The Treasurer to the Authority may examine, so far as he/she considers necessary, all accounts passed to him/her for payment and shall be entitled to receive such information and explanations as he/she may require. The Treasurer to the Authority shall pay all accounts which he/she is satisfied represent legal payments and are in order.
- 3.4. The Director of Waste Disposal shall, as soon as possible after 31 March each year and not later than a date specified, notify the Treasurer to the Authority, 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 31st March.

- 3.5. Invoices shall be passed to the Treasurer to the Authority 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 to the Authority.
- 3.6. Proposals to take advantage of early payment discount require approval of the Treasurer to the Authority prior to such discounts being taken.
- 3.7. The Director of Waste Disposal 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.

4. PAYMENTS TO EMPLOYEES AND MEMBERS

- 4.1. The Director of Waste Disposal shall notify the Support Service Section 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.
- 4.2. The Treasurer to the Authority shall be responsible for the payment of all payrolls. The Director of Waste Disposal shall provide the Treasurer to the Authority with all information necessary to maintain records of service, superannuation, income tax, national insurance, statutory sick pay, etc. The Director of Waste Disposal shall ensure that all request 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.

5. TAXATION

- 5.1. The Treasurer to the Authority will complete all Inland Revenue returns regarding PAYE.
- 5.2. The Treasurer to the Authority 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).
- 5.3. The Treasurer to the Authority will maintain up-to-date guidance for employees on taxation issues.
- 5.4. The Director of Waste Disposal 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
 - iv. Follow the guidance on taxation issued by the Treasurer to the Authority

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.
- The nature of the partnership should be clearly stated in a partnership agreement and should include formal agreement and acceptance of each partners roles and responsibilities.
 - The agreement should be subject to a risk management process to establish and manage all known risks
 - 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

- A performance monitoring framework will need to be established to ensure the objectives of the partnership are met
 - A formal reporting procedure should be established to report to the Authority both the financial and performance position.
 - Access protocols to records and documents should be established to ensure effective Audit and inspections processes
- 1.2. The Treasurer to the Authority will advise on effective controls to ensure that resources are not wasted and that accounting arrangements are satisfactory.
 - 1.3. The Director of Waste Disposal will maintain a register of all contracts entered into with external bodies after prior consultation with the Treasurer to the Authority.
 - 1.4. The Director of Waste Disposal 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 to the Authority, prior to entering such agreements.

2. EXTERNAL FUNDING

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