

Section 7 - Financial Procedure Rules (alternative arrangements must obtain chief finance officer approval)

approval)

Approving revenue payments – post securing spend authority - with an order ~~(alternative arrangements must obtain chief finance officer approval)~~

Value (before VAT)	Approval level
Up to £25,000	Officers as agreed by the director
Between £25,001 and £100,000	Managers that report to Head of Service (up to and including HC12 pay grade)
Between £100,001 and £250,000	Head of Service (HC13 pay grade)
Between £250,001 and £500,000	Assistant Directors (HoS1 and HoS2 pay grade)
Above £500,001	Directors or chief finance officer (pay in excess of HoS2)

Approving capital payments – post securing spend authority - with an order ~~(alternative arrangements must obtain chief finance officer approval)~~

Value (before VAT)	Approval level
<u>Up to £250,000</u>	<u>Corporate Project Manager and-or the Corporate Capital Programme Manager</u>
<u>Between £25,001 and £100,000</u>	<u>Corporate Project Manager and-or the Corporate Capital Programme Manager</u>
<u>Between £100,001 and £250,000</u>	<u>Corporate Project Manager and-or the Corporate Capital Programme Manager</u>
<u>Between £250,001 and £500,000</u>	<u>Capital Programme Assistant Director or chief finance officer and-or the Corporate Capital Programme Manager</u>
<u>Above Between £500,001 and £1,000,000</u>	<u>Programme Assistant Director or chief finance officer direct reports (being deputy S151 officers and strategic capital finance manager)</u>
<u>Above £1,000,001</u>	<u>Chief finance officer</u>

Approving payments that do not have without an order – for example periodic payments to HMRC and the pension fund ~~(alternative arrangements must obtain chief finance officer approval)~~

Value (before VAT)	Approval level
Up to £500,000	Deputy S151 <u>Direct reports to chief finance officer</u> direct reports (being deputy S151 officers and strategic capital finance manager)
Over £500,001	chief finance officer

Budget movements (revenue virements)

Value	Approval required	Required to obtain consent from
Up to £100,000 – within a directorate	Spend Manager(s)	Finance Manager
Up to £100,000 – across directorates	Director / assistant director or head of service receiving budget	Both directorate finance managers
Between £100,001 & £250,000 – within a directorate	Budget holder	Deputy S151
Between £100,001 & £250,000 – across a directorate	Director / assistant director or head of service receiving budget	Chief finance officer and director / assistant director or head of service reducing budget
Between £250,001 & £500,000 – within a directorate	Director / assistant director or head of service	Chief finance officer <u>officer</u>

Over £250,001 – across directorates	Director and Portfolio holder receiving budget	Chief finance officer, director and Portfolio holder reducing budget		
Over £500,001 – within a directorate	Director	Chief finance officer and Portfolio holder		
Sales of goods				
<u>Value (before VAT)</u>	<u>Use of reserves to fund spend</u>	<u>Approval level</u>		
		<u>Value</u>	<u>Approval required</u>	<u>Reported to</u>
		<u>All</u>	<u>Chief Finance Officer</u>	<u>Cabinet</u>

Over £20,001	Chief Finance Officer	Cabinet
Bids for external grant funding		
<u>Value</u>	<u>Approval required</u>	<u>Comment</u>
<u>Up to £5,000</u>	<u>Director</u>	<u>Expected savings to be held centrally</u>
<u>Over £5,001</u>	<u>Management board & relevant Cabinet member</u>	<u>Expected savings to be held centrally</u>
Amendments to the approved capital programme		
<u>Change required</u>	<u>Approval required</u>	<u>Comment</u>
New capital scheme <u>(includes spend funded by S106 agreement where spend incurred before funds received)</u>	Council	Cabinet / Cabinet member <u>or officer</u> report post Council approval required before spend can be incurred
New 100% funded externally scheme	Chief finance officer	
Revenue contributions to capital schemes	Chief finance officer	
<u>Up to £2,000</u>	<u>Director or assistant director</u>	
<u>Between £2,001 and £10,000</u>	<u>Deputy S151 officer</u>	
<u>Over £10,001</u>	<u>Chief finance officer</u>	
Debt write off approval		
<u>Value</u>	<u>Approval required</u>	<u>Reported to</u>
Up to £20,000	Deputy S151	

Introduction

7.1 Procedures

Any organisation with a large financial turnover needs to lay down the procedures to be observed in its financial dealings. Such procedures are especially necessary in the case of a local authority which is limited by legislation in what it is able to do, is subject to statutory audit and must account for its actions and stewardship to the general public.

7.2 Purpose of Financial Procedure Rules

The purpose of these rules is therefore to set out, for the benefit of members, officers and the public, basic financial rules and guidance in order that everyone works to an approved common standard in the financial dealings of the council.

The rules are to be followed post obtaining the necessary decision approval required before incurring expenditure.

They do not over-ride the requirement to observe statute, including European Union Directives, in everyday matters.

These Financial Procedure Rules apply to all areas of the council and should be read in conjunction with the rest of the council's constitution.

7.3 Emergency situations

The provision of these rules does not prevent the council acting through the Chief Executive and director(s) from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to the action being reported as soon as practicable to the appropriate authority.

7.4 Non-compliance with rules

Any non-compliance with these rules will follow the relevant council performance management procedure and may result in disciplinary action being taken, or criminal investigation as appropriate.

7.5 Approval of Chief Finance Officer or Nominated Officer

The Chief Finance Officer or nominated officer or a nominated representative must approve all financial implications on all decision reports and the relevant implications section of the report template must be completed.

7.6 Approval changes

The Head of Paid Service may agree changes to the approval authority where directors or chief finance officers are either working their notice or employed on an interim basis.

Internal audit and internal control

7.7 Regulations

The Chief Finance Officer or nominated officer shall in accordance with the Accounts and Audit Regulations for the time being in force and future Financial Procedure Rules 4

amendments, arrange for a continuous and current internal audit of all activities of the council.

7.8 Financial irregularities with regard to council functions

Where matters arise which involve or are thought to involve financial irregularities this will be referred to audit and follow the relevant procedures as disclosed in the anti-money laundering, anti-bribery, fraud and corruption and whistleblowing policies (with reference to Treasury Management Practice Statement 9) as necessary.

Treasury management

7.9 Activities of treasury management

All treasury management activities will be carried out in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice and CrossSectoral Guidance Notes 2017 and the "Treasury Management Policy Statement" as currently approved by the Chief Finance Officer and included in the Treasury Management Policy approved by Council.

Banking Arrangements

7.10 Arrangements with council's bankers

No officer has authority to open a bank account without prior specific written delegation of that authority by the Chief Finance Officer or nominated officer.

7.11 Officer Involvement

Officers must declare an interest and absent themselves from any managerial involvement in any financial matter from which they or their family could directly or indirectly benefit as required in the employee code of conduct.

Revenue Expenditure - Control

7.12 Budgetary Control

Directors and the Chief Executive must ensure, that their Assistant Directors / Heads of Service are managing their budgets, including commitments, appropriately by requiring regular reports are presented to Management Board and their Department Management monthly budget monitoring meetings.

7.13 Role of Directors

Budgets are allocated to Directors to enable them to deliver services approved by Members through the budget setting process. Directors are required to ensure budgets are deployed in accordance with these rules to deliver policies and plans determined by members, and to ensure that

there are processes and procedures in place within their directorates to be compliant with systems of internal control.