

FINANCIAL REGULATIONS



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| Date of publication | May 2015 | Date of last version | May 2014 |
| Version no. | 4 | Date of expiry | |

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Dacorum Borough Council Financial Regulations

Contents

| Section | Page No. |
|--|----------|
| Financial Regulations | |
| 1. Introduction, general and interpretation | 1 |
| A: Financial management | 3 |
| B: Financial Planning and budgeting policy framework | 8 |
| C: Risk management and resource control | 10 |
| D: Income and assets | 12 |
| E: Expenditure, liabilities and procurement of, ordering and paying for goods, works and services | 16 |
| F: External arrangements | 19 |
| Detailed regulations and guidance | |
| Annex A: Monitoring Officer responsibilities – schedule of values | 21 |
| Annex B: Financial Planning and budgeting policy framework | 22 |
| Section 1: Budgeting and budgetary control | 22 |
| Section 2: Capital plans and budgets | 23 |
| Section 3: Scheme of virement | 24 |
| Annex C: Risk management and resource control | 26 |
| Section 1: Maintaining internal control | 26 |
| Section 2: staffing and consultancy arrangements | 30 |
| Annex D: Schemes of delegation | 33 |
| Annex E: Income and assets | 34 |
| Section 1: Accounting for income | 34 |
| Section 2: Documentation and cash handling | 37 |
| Section 3: Petty cash, change floats, and credit card purchases | 40 |
| Section 4: Debt write-off and credit write-on procedures and limits | 41 |
| Section 5: Responsibilities for stocks, stores and minor assets | 44 |
| Annex F: Disposal of assets (including stock and stores) | 47 |
| Section 1: Land disposals | 47 |
| Section 2: Equipment disposals | 50 |
| Section 3: Major reusable items | 51 |
| Section 4: Disposal of other assets | 52 |
| Annex G: Expenditure, liabilities and procurement of, ordering, and paying for goods, works and services | 54 |
| Section 1: Detailed regulations governing the procurement of, ordering, and paying for works, goods and services | 54 |
| Section 2: Responsibilities for procurement of, ordering, and paying for works, goods and services | 55 |
| Section 3: Responsibilities of Corporate Directors in respect of contracts | 58 |
| Section 4: Responsibilities for engagement of, and payments to, employees | 59 |
| Annex H: Partnerships, external funding and third party contracts | 62 |
| Section 1: Partnerships expectations | 62 |
| Section 2: Responsibilities in respect of partnerships, external funding and third party contracts | 63 |
| Schedule of Authorisations | 66 |

Dacorum Borough Council Financial Regulations

1. INTRODUCTION, GENERAL AND INTERPRETATION

- 1.1. Financial Regulations provide the framework for managing the financial affairs of the Council. They are approved by the Council and they apply to every Member and employee of the Council and to anyone acting on its behalf. All Members and employees must adhere to them at all times. These regulations have been compiled in compliance with CIPFA best practice (2001) and current local authority best practice (2011).
- 1.2. The Corporate Director (Finance & Operations) is the Council's Section 151 Officer and is accountable to the Council for the financial regulations. All Chief Officers are accountable to the Corporate Director (Finance & Operations) for compliance with these regulations. All officers with delegated responsibilities for undertaking financial responsibility are accountable to their Corporate Director for compliance with the Financial Regulations.
- 1.3. Executive Members and Corporate Directors must maintain a written record where they have delegated decision-making to employees, including seconded employees. Where they have delegated or devolved decisions to other responsible employees, references to the Corporate Director in the regulations should be read as referring to those employees.
- 1.4. All Members and employees have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and contributes to the Council's strategic aims.
- 1.5. Should a breach of the Financial Regulations come to light it must be reported immediately to the Section 151 Officer. The Section 151 Officer is responsible for maintaining a continuous review of Financial Regulations and for submitting any additions or changes necessary to the full Council for approval. He/she is also responsible for reporting material breaches of the Financial Regulations to the Corporate Management Team, the Cabinet or the full Council as he/she considers appropriate. Disciplinary action can be taken for breaches of Financial Regulations.
- 1.6. The Section 151 Officer is responsible for issuing advice and guidance to underpin Financial Regulations that Members, employees and others acting on behalf of the Council are required to follow.

Dacorum Borough Council Financial Regulations

- 1.7.** This document should be read and applied in conjunction with the Council's constitution and other internal regulatory documents forming part of the constitution.
- 1.8.** Throughout these Financial Regulations, where the words 'Corporate Director' and 'Director' appear in a departmental context, they refer also to the Chief Executive. References are made to 'Group Managers'. In these instances Assistant Directors are responsible for ensuring that Group Managers for their group of services have adequate arrangements in place and will also apply to Assistant Directors where they are directly responsible for functions or projects or where there is no Group Manager in post.
- 1.9.** The term 'current' as it applies in these Regulations shall mean the last approval given by Council, Cabinet or Corporate Director under delegated powers.
- 1.10.** The terms 'Corporate Director (Finance & Operations)' and 'Section 151 Officer' are synonymous in the current structure of the Council. If, at any time, that should cease to be the case, all duties, authorities and responsibilities assigned to the Corporate Director (Finance & Operations) in these Financial Regulations shall be interpreted as applying to the Section 151 Officer.

Financial Regulation A: Financial Management

Introduction

- A.1.** Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

Committees of the Council

- A.2.** The functions and responsibilities of the full Council, the Cabinet, the Overview and Scrutiny Committees and Regulatory Committees are set out in Part 3 of the Council's constitution. The Council and all subsidiary bodies must have regard to financial regulations and procurement standing orders in the conduct of Council business.

Statutory officers

Chief Executive

- A.3.** The Chief Executive, as Head of Paid Service, is responsible for the corporate and overall strategic management of the Authority as a whole. He/she is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions

Monitoring Officer

- A.4.** The Assistant Director (Chief Executive's Dept.) is the Authority's designated Monitoring Officer, under Section 5 of the Local Government and Housing Act 1989. The role of the Monitoring Officer is set out in the Council's Constitution (Article 11).
- A.5.** He/she (together with the Section 151 Officer – see below) is responsible for advising the Portfolio Holder, Cabinet or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the approved budget. Actions that may be 'contrary to the budget' include:
- a) initiating a new policy
 - b) taking, or failing to take action which will, or is likely to result in any defined budget for the current year being exceeded by a given value, determined by the Section 151 Officer
 - c) committing, or seeking to commit expenditure in future years above the approved level
 - d) causing the Council's total budgeted sum for either the Housing Revenue Account or the General Fund to increase by more than an amount specified by the Section 151 Officer in any one year.

Dacorum Borough Council Financial Regulations

Current values in relation to regulation A.5. are given at Annex A.

Section 151 Officer

- A.6.** The Corporate Director (Finance & Operations) is the Council's designated Section 151 Officer. This post has statutory duties in relation to the financial administration and stewardship of the Council's financial affairs. These duties arise from Section 151 of the Local Government Act 1972 and subsequent legislation and cannot be overridden.
- A.7.** The functions of the Section 151 officer are defined in the Council's constitution (Article 11). In particular, he/she has responsibility for the administration of the financial affairs of the Council, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.
- A.8.** Section 114 of the Local Government Finance Act 1988 requires the Section 151 Officer to report to the Cabinet, Council, and external auditor if the Council or one of its officers:
- (a) has made, or is about to make, a decision which involves incurring unlawful expenditure
 - (b) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
 - (c) is about to make an unlawful entry in the authority's accounts.
- A.9.** Section 114 also requires the Section 151 Officer 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 Assistant Director (Finance & Resources) is the designated officer for this purpose.
- A.10.** The Act also requires the Council to provide the Section 151 Officer with sufficient staff, accommodation and other resources – including legal advice where it is necessary to carry out duties under S114.

Corporate Directors

- A.11.** Corporate Directors are individually responsible for financial management within their own areas of responsibility and collectively for matters of corporate responsibility. In respect of Financial Regulations they have specific responsibilities for:
- a) Ensuring that Members of Cabinet and the relevant Overview and Scrutiny Committee(s) are advised of the financial implications of all proposals and that the financial implications have been agreed with the Section 151 Officer

Dacorum Borough Council Financial Regulations

- b) Consulting with the Section 151 Officer and seeking approval on any matter liable to affect the Council's finances materially before any commitments are incurred
- c) Demonstrating the proper financial management and effective deployment of resources allocated to their respective services
- d) Ensuring that all staff have access to a copy of Financial Regulations and that these are retained in a current state and ensuring that employees comply with them at all times
- e) Ensuring that Assistant Directors, Group Managers and other key personnel receive sufficient training to enable them to discharge their responsibilities under these Regulations, Procurement Standing Orders and related rules and procedures introduced from time to time
- f) Ensuring that their Portfolio Holder and, as appropriate, the Portfolio Holder (Finance & Resources) are advised of the financial implications of any proposals and that the financial implications have been agreed by the Section 151 Officer.
- g) Ensuring the financial probity and correctness of all reports, advice and opinions submitted to Members and others that may act on such information. Where he/she has any doubt in this regard, the Corporate Director must consult with the Section 151 Officer prior to issuing a report, providing advice or offering an opinion
- h) Ensuring that the Section 151 Officer is consulted on and approves any proposal that may affect the ability of stand-alone financial systems and processes to be reconciled with any relevant corporate financial information system
- i) Signing contracts on behalf of the Council which are not under seal
- j) Ensuring that vouchers and other financial documents are not destroyed other than in accordance with the Council's Corporate Retention of Documents Policy
- k) Maintaining a complete management trail allowing financial transactions to be traced from accounting records to source and vice versa
- l) Ensuring that all financial systems' inputs are genuine, complete, accurate, timely and not previously processed.

Management of in-year finances

A.12. Corporate Directors are responsible for effective financial management. To support them, the Council has specific policies relating to six key control areas:

Dacorum Borough Council Financial Regulations

- (a) **Transfer of budgets.** Council sets the budget and Cabinet has executive responsibility for the delivery of services within budgets. Resources are allocated to defined budget headings which are managed by budget managers (usually allocated at Group Manager Level). A scheme of virement is required to enable budget holders to transfer resources between budgets where appropriate and necessary. The Council is responsible for approving a scheme for enabling virement. This is set out in regulation B.11.
- (b) **Use of contingencies.** When approving the annual budget the Council may set aside specific sums to meet unforeseen eventualities.
- (c) **Supplementary estimates.** Corporate Directors are responsible for arranging the effective delivery of services within the annual budgets allocated. Under circumstances where it cannot be dealt with under the Council's scheme of virement, and where appropriate, Cabinet, on the advice of the Section 151 Officer, may grant a supplementary estimate to be met from any contingency provision established under section A12.b above. Where insufficient resources exist, Cabinet may, on the advice of the Section 151 Officer, seek Council approval to the granting of a supplementary estimate to be met from relevant balances or reserves.
- (d) **Under- and overspends.** The Council is responsible for agreeing any procedures, on the advice of the Section 151 Officer, for carrying forward under- and overspending against revenue budgets. The unspent portion of budgets will be transferred by the Section 151 Officer to Reserves and Balances after the year end. The unspent portion of budgets will not be carried forward to the following year's service budgets without the express authority of Council which decision shall be made on the advice of the Section 151 Officer. This function has been delegated to the Audit Committee as part of the review and approval of the annual Statement of Accounts. The Section 151 Officer will report to Cabinet as soon as is practicable after the year end on which budgets have underspent and which budgets have overspent, together with the net position. Cabinet will make recommendations to the Audit Committee who carry out this function on behalf of Council as part of their responsibility for review of the preparation of the Statement of Accounts. Cabinet and Audit Committee will take account of the advice of the Section 151 Officer on how any net overspend should be funded.
- (e) **Urgency.** Nothing in these Financial Regulations shall preclude expenditure being incurred where an emergency or disaster involving destruction of, or danger to, life or property occurs, or is imminent, that may not be contained within the totality of budgets allocated to Corporate Directors. If, in the opinion of the relevant Director, in consultation, where possible, with the Chief Executive and the Section 151 Officer, the urgency of the situation will not permit delay, the Director may authorise such expenditure as is measured and reasonable in the circumstances. Where a Director has had to act without having been

Dacorum Borough Council Financial Regulations

able to consult the Chief Executive and/or the Section 151 Officer, he/she/they shall be informed as soon as is practicable. Action under this Regulation shall be reported at the first opportunity to Cabinet and to the full Council.

- (f) **Section 106 Contributions.** Council sets the budget and Cabinet has executive responsibility for the delivery of services within budgets. Delegation is given to the Section 151 Officer for in-year amendments to budgets where a one-off item is to be funded wholly from Section 106 receipts.

The Annual Report

A.13. The Audit Committee is responsible for approving the Annual Report and Statement of Accounts.

Financial Regulation B: Financial Planning and Budgeting Policy Framework

Introduction

- B.1.** These Financial Regulations apply to all plans and strategies within the Council's policy framework. Financial Regulations relating to budgets apply to General Fund and to Housing Revenue Account matters, and to both revenue and capital.
- B.2.** The Council is responsible for approving procedures for setting and varying budgets on the advice of the Section 151 Officer, for agreeing plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. The Council is also responsible for setting the level at which the Cabinet may reallocate budget funds from one service to another (virement). Details of the virement scheme are provided under Regulation B.11.
- B.3.** The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council. Consideration of such matters will be on the advice of the Section 151 Officer.

Code of Corporate Governance

- B.4.** Budgeting and budgetary control forms an essential part of the overall governance arrangements of the Council. The full Council is responsible for agreeing the Code of Corporate Governance, its framework and policies and the budget. Within such timescale as may be laid down by statute the Audit Committee under delegated powers from the Council shall approve publication of the Annual Report and Statement of Accounts and the Leader and Chief Executive shall concurrently present a statement of compliance with the framework and the Code of Corporate Governance.

Revenue budgeting and budgetary control

- B.5.** The Section 151 Officer is responsible for determining the format of the revenue budgets and ensuring that they are prepared on an annual basis for consideration by the Cabinet, before submission to the Council in the fourth quarter of the financial year.
- B.6.** Corporate Directors, and their delegated representatives, are responsible for ensuring that budget estimates reflect agreed service plans and comply with the budget guidance issued by the S151 Officer which will take account of the Council's approved Medium Term Financial Strategy. The submitted budgets will be scrutinised and endorsed by appropriate Members including Portfolio Holders. These will be collated by the S151 Officer for submission to a

Dacorum Borough Council Financial Regulations

combined meeting of the Overview and Scrutiny Committees to scrutinise the draft budget, prior to submission to Cabinet.

- B.7.** Corporate Directors, Assistant Directors and Group Managers are responsible for controlling income and expenditure within their area, taking account of financial information provided by the Section 151 Officer, as well as supplementary local information systems. Each Director shall ensure that all expenditure committed by his/her directorates is within a revenue, capital, or other budget approved by Council. Any potential expenditure or loss of income, which cannot be funded from within the totality of the service budget, supported by the approved scheme of virement, shall be reported to the Section 151 Officer as soon as this is anticipated by the Director.
- B.8.** Detailed regulations relating to revenue budgeting and budgetary control are set out in Annex B, section 1.

Capital plans and budgets

- B.9.** The Section 151 Officer is responsible for ensuring that a rolling 5 year Capital Programme is prepared on an annual basis for consideration by Cabinet and submission to the Council as part of its annual budget-setting process, and that capital and revenue budgets are fully integrated. Detailed regulations governing capital budgeting are set out in Annex B, section 2.

Maintenance of reserves

- B.10.** Under the Local Government Act 2003, the Section 151 Officer must advise the Cabinet and/or the Council on prudent levels of reserves and balances. The Section 151 Officer will prepare, keep under review and present to Cabinet, at least annually, a strategy for the Council's reserves that provides a justification for each earmarked reserve, together with a recommended minimum level of general (un-earmarked) reserves. Consideration of these issues will include the application of risk management processes.

Scheme of virement

- B.11.** To support Corporate Directors, Assistant Directors and Group Managers to fulfil their responsibilities under Regulation B.7, the transfer of funds between budget lines is permitted, subject to approval, where this supports sound financial management. The Virement policy is set out in Annex B, section 3 and applies to all transfers of budget, of any value and for any reason, including for reasons of organisational restructure.

Financial Regulation C: Risk Management and Resource Control

Introduction

C.1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant strategic and operational risks to the Council and for identifying and evaluating significant opportunities for development. This should include the proactive participation of all those associated with planning and delivering services.

Risk and opportunity management

C.2. The Cabinet is responsible for approving amendments to the Council's risk management strategy and for reviewing the effectiveness of the Council's risk management practices. It is also responsible for ensuring that proper insurance exists where appropriate.

C.3. The Section 151 Officer is responsible for preparing the authority's risk management strategy, for ensuring that there is proper management of risk throughout the Council, and for advising the Cabinet on proper insurance cover or alternative arrangements.

Maintaining internal control

C.4. Internal control refers to the management processes and systems of control devised by management and endorsed by Members to help ensure that the Council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources, safeguards the Council's assets and interests and enables the Council to take advantage of opportunities. The operation of sound internal control is an essential component of good corporate governance.

C.5. The Section 151 Officer is responsible for advising on effective systems of internal control. Corporate Directors are responsible for establishing sound arrangements for safeguarding public funds by planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness, and for achieving their personal and service based financial and outcome performance targets.

C.6. Effective internal control is supported by policies relating to:

- i) Audit arrangements
- ii) Preventing and detecting fraud and corruption
- iii) Securing assets
- iv) Treasury management

Detailed regulations governing these policies are set out in Annex C, section 1.

Staffing Arrangements

- C.7.** A staff structure is required to provide support to the Cabinet, the Council and the Committees of the Council for the conduct of business. The Chief Executive, as Head of Paid Service, is responsible for determining how officer support for Cabinet and non-Cabinet roles within the authority will be organised in line with hierarchy of the authorisations specified in Annex C, Clause 2.g. The Chief Executive is responsible for providing overall management to staff and for ensuring that there is proper use of the evaluation or other agreed systems for determining remuneration of employment.
- C.8.** Detailed responsibilities and regulations governing staffing arrangements are set out in Annex C, section 2. This section includes arrangements relating to:
- i) The staffing structure
 - ii) Consultants.

Financial Regulation D: Income and Assets

Introduction

D.1. The Council has many systems and procedures relating to the control of the authority's assets. These include purchasing, costing and management systems. Each must contain effective controls to ensure that all transactions are recorded and properly processed, and that errors are detected promptly.

General Responsibilities

D.2. The Section 151 Officer is responsible for the sound and proper operation of the authority's accounting systems, the form of accounts and supporting financial procedures and records. Any changes proposed to be made by Corporate Directors to their existing financial systems or the establishment of new systems must be approved beforehand by the Section 151 Officer.

D.3. Corporate Directors are responsible for ensuring that:

- a) there is the proper operation of financial processes within their Directorate
- b) data exists to enable them to plan, formulate and deliver the Council's objectives, targets and budgets
- c) performance is communicated to relevant managers on an accurate, complete and timely basis
- d) intelligence exists to warn of potential deviations from targets, plans and budgets requiring management attention
- e) systems and procedures are fully documented and operate effectively and securely
- f) staff receive relevant financial training approved by the Section 151 Officer.

D.4. Corporate Directors shall maintain a scheme of delegation identifying officers authorised to act on their behalf on financial matters. A copy of this, together with specimen signatures shall be supplied to the Section 151 Officer. A copy of the scheme of delegation is attached at Annex D to these regulations.

Accounting for Income

D.5. Effective income collection systems are necessary to ensure that all revenues due to the Council are collected. Income can be vulnerable to loss. In order to maximise the Council's income, it is important that all income due is properly identified, collected, receipted, banked and recorded in accounting systems.

Key controls and responsibilities

- D.6.** The Section 151 Officer and the Corporate Directors are responsible for the operation of the key controls governing the receipt of income and for ensuring that all due income is correctly recorded and received. Detailed responsibilities governing the collection of income are set out at Annex E, section 1. The Section 151 Officer shall review these responsibilities from time to time.

Documentation and cash handling

- D.7.** In accordance with these regulations the Section 151 Officer and Corporate Directors are responsible for securing the Council's assets. Cash due and held by the Council is vulnerable to loss and must be recorded, held, processed and banked securely. Detailed requirements governing documentation and record keeping relating to Council income, for handling cash and cash held for third parties, are set out in Annex E, Section 2.

Banking and investment arrangements

- D.8.** The Section 151 Officer shall:
- a) Make arrangements for all banking services.
 - b) Ensure that surplus cash is systematically invested on a daily basis consistent with the Council's Treasury Management Strategy.
 - c) Ensure all cheques or other financial instructions issued on behalf of the Council bear the impression or manuscript signature of an authorised officer, in accordance with the counter-signature hierarchy specified in Annex G, Clause 1.f
 - d) Be responsible for the ordering and control of cheques and similar secure stationery, and make sound arrangements for the safe custody of cheque stocks, and the control and reconciliation of those issued.
 - e) Make secure arrangements for the telephonic and electronic transmission of payments and receipts, including the application of effective internal controls to mirror those set out above.
- D.9.** Corporate Directors are responsible for ensuring that their staff comply with all guidance and instructions issued by the Section 151 Officer in this regard

Petty Cash, Change Floats, and Credit Card Purchases

- D.10.** The Council's resources may be held as cash only where there is a business need. Any cash holdings must be authorised by the Section 151 Officer who will review the need for such cash holdings periodically and may, at his/her discretion, in consultation with Corporate Directors, withdraw or alter the size

Dacorum Borough Council Financial Regulations

of cash holdings. Detailed regulations governing cash, change floats and credit cards are set out in Annex E, section 3

Debt collection

- D.11.** The invoicing, collection and enforcement of Sundry Income is the responsibility of the Corporate Director (Finance & Operations) who shall initiate proceedings to recover monies owing to the Council in an expeditious manner. The Section 151 Officer will ensure that there are recovery procedures for all debts due and which have remained unpaid. These will take place automatically.
- D.12.** Where a debtor is also a creditor to the Council, the amount due to the Council shall be deducted from amounts payable by the Council where, in the opinion of the Corporate Director (Finance & Operations), such a course would seem to be more expeditious and/or cost effective than recovery action through the courts.

Bad debts and unclaimed credits

- D.13.** Where recovery processes have been fruitless and the debt has become irrecoverable, it will be written off. The procedure to be followed for writing off bad debts is set out at Annex E, section 4
- D.14.** Where unclaimed credits are held within the Council's accounts, they may be considered for write on. The procedure to be followed for writing on unclaimed credits is set out at Annex E, section 4.

Stocks and stores and minor assets

- D.15.** Stocks and stores represent short term assets of the authority and are therefore subject to the same general regulations applying to other assets and cash holdings. Detailed regulations and responsibilities for managing stocks and stores are set out in Annex E, section 5.

Trading Accounts/Business Units

- D.16.** The Section 151 Officer is responsible for advising on the establishment and operation of trading accounts and business units.
- D.17.** Corporate Directors shall take advice from the Section 151 Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. Such contracts should not be entered into unless they can be terminated within the main contract period without penalty.
- D. 18.** All officers must observe statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income and expenditure, including full overhead costs are charged, and to produce an annual report in support of the final accounts.

Dacorum Borough Council Financial Regulations

D.19. Corporate Directors must ensure that the appropriate accounting principles are applied to trading accounts as advised by the Section 151 Officer. Each internal trading unit shall prepare an annual business plan.

D.20. Cabinet shall approve the Council's banking and brokering arrangements, and authorised signatories on the advice of the Section 151 Officer.

Document retention – general

D.21. Hard copy documentation or electronic media admissible by the Courts created or maintained for transactions covered by these Financial Regulations or the Council's Procurement Standing Orders shall be retained for a period not less than 6 years after the transaction/ project ceases to be current and/or the financial year to which it relates. For more specific guidance please refer to the Retention Schedule.

D.22. All quotations (including unsuccessful ones) obtained for orders made in accordance with these Financial Regulations shall be retained for not less than the current year plus one.

Disposal of Assets (including Stocks and Stores)

D.23. As a public authority the Council should, in the disposal of its landholdings and other assets, always seek to obtain the best price reasonably obtainable, in terms of money or monies worth, unless it is absolved from this duty by statute, regulation or other lawful authority. If in the particular case of any disposal these rules cannot be followed in such a way as to ensure both propriety and optimum value, the matter must be reported to the Cabinet by the Corporate Director (Finance & Operations) for authority to proceed in a different way.

D.24. Detailed regulations governing the disposal of assets are set out in Annex F. The annex covers detailed regulations concerning the disposal of:

- land
- equipment
- scrap and ICT equipment
- major reusable items
- investments
- intangible assets

Financial Regulation E: Expenditure, Liabilities and Procurement of, Ordering, and Paying for Works, Goods and Services

Introduction

- E.1** The Council has a duty to manage and spend public money with due regard to probity and in accordance with the Council's policies. All staff and Members of the Council are required to comply with the Council's procurement policies and procedures, as set out in Procurement Standing Orders. In particular, every officer and Member of the Council must advise the Monitoring Officer of any real or perceived links or personal interests they may have with purchasers suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council.
- E.2.** Procurement Standing Orders are supplemented by detailed regulations governing the day-to-day ordering of works, goods and services. These are provided in Annex G, section 1.
- E.3.** The Corporate Director (Finance & Operations) is responsible for reporting to the Cabinet not less than twice each financial year on the exercise of his/her delegated powers. One such report will comprise an annual report on procurement for presentation within the following financial year.
- E.4.** It is the responsibility of Corporate Directors to ensure that a proper scheme of delegation has been established for the procurement, certification and authorisation of payment within their area, and to take steps periodically to test that the scheme is operating effectively. Further detailed responsibilities of the Section 151 Officer and Corporate Directors in respect of the regulations governing ordering and paying for works, goods and services are set out in Annex G, section 2.

Contract arrangements

- E.5.** All contracts with a value in excess of the amount specified in Annex G, section 3, are subject to the provisions contained in the Council's Procurement Standing Orders. No tender shall be accepted and no contract shall be entered into until all of the requirements of Procurement Standing Orders as well as all necessary approvals, sanctions and consents have been obtained. Prior to letting a contract, Officers must ensure that they have the necessary delegated authority to proceed and there is sufficient budget provision in place.
- E.6.** For all contract in excess of the value specified in Regulation E.5, the Section 151 Officer will be responsible for:

Dacorum Borough Council Financial Regulations

- a) Arranging payment in accordance with the contract terms or Council's scheme for prompt payment.
- b) Examining, at his/her discretion, and making such enquiries as may be necessary to satisfy him/herself as to the fairness and accuracy of the accounts.

E.7. The Assistant Director (Legal, Democratic and Regulatory) shall consider all claims, which appear not to clearly fall within the scope of the primary contract with a view to determining liability. He/she will consult with the Section 151 Officer on any financial consideration before settlement is reached.

E.8. Detailed responsibilities of Corporate Directors in relation to contracts are set out in Annex G, Section 3.

Engagement of, and Payments to, Employees

E.9. The Chief Executive, as Head of the Paid Service, has overall responsibility for ensuring that all staff emoluments and entitlements are approved for all current employees. The Section 151 Officer is responsible for calculating emoluments and entitlements and for ensuring that all payments are timely and accurate.

E.10. Detailed responsibilities of the Section 151 Officer and Corporate Directors in respect of engagement of, and payment to, employees are set out in Annex G, section 4. In particular, no advances of pay shall be made without the express agreement of the Section 151 Officer. Any advances of pay that are made shall be effected through the Council's payroll system unless determined otherwise by the Section 151 Officer.

Payments to Members

E.11. The Section 151 Officer is responsible for the payment of allowances and other sums due to Members in accordance with the Council's Members' Allowances Scheme, and best practice nationally.

E.12 The Section 151 Officer is responsible for implementing the provisions for Members' travel and subsistence contained in the Members' Allowances Scheme.

Taxation

E.13 The Section 151 Officer is responsible for managing the Council's tax affairs, approving systems and processes where in the opinion of the Section 151 Officer they may have a significant impact on the Council's tax position, and advising Corporate Directors on all taxation issues affecting the authority. He/she is also responsible for maintaining the authority's tax records, making all tax payments by the due dates, receiving tax credits and submitting tax returns by their due date as appropriate.

Dacorum Borough Council Financial Regulations

- E.14.** Corporate Directors are responsible for ensuring that the correct amount of VAT is paid and/or collected on rateable purchases and supplies, in accordance with guidance issued by the Section 151 Officer, and for making proper arrangements to administer the correct tax liabilities for contractors engaged in construction and maintenance works.

Financial Regulation F: External Arrangements

Partnerships

- F.1.** For the purpose of the Regulations a partnership is defined as a joint working arrangement between otherwise independent bodies that:
- a) agree to co-operate to achieve a common goal
 - b) create new organisational structures or processes to achieve this goal separate from their own organisations
 - c) plan and implement a jointly agreed programme often with joint staff or resources
 - d) share relevant information
 - e) pool risks and rewards.

Service contracts that are described colloquially as “partnerships” are not partnerships for this purpose but are regarded as contracted services dealt with under procurement rules.

Responsibilities and expectations

- F.2.** The Council requires that potential partners are aware of their responsibilities under the Authority’s Financial Regulations and the procurement requirements. When partnerships are developed, the partners shall agree on which financial regulations and standing orders shall apply as part of the governance arrangements for the partnership. The Council’s expectations regarding partnerships are set out at Annex H, section 1. These should be adapted and written into partnership governance documents, as appropriate.
- F.3.** The Council is responsible for considering, and where appropriate, approving the formation of any strategic partnership or any proposed change to existing external relationships, on the recommendation of the Leader of the Council.
- F.4.** The Chief executive shall be the Council’s principal advisor and representative on partnership and external bodies. Further detailed responsibilities are set out in Annex H section 2

External funding

- F.5.** Where funding is due from external bodies the Section 151 Officer shall ensure that:
- (g) All funding due is received and properly recorded in the authority’s accounts.

Dacorum Borough Council Financial Regulations

- (h) Match-funding requirements and obligations are considered prior to entering into any agreement, and that future revenue budgets reflect these requirements.
- (i) Audit requirements are met.

F.6 Further responsibilities in respect of external funding and providing works to third parties are set out in Annex H, Section 2.

Annex A

Monitoring Officer responsibilities – schedule of values

Regulation A.5.

Last updated: May 2014

The Assistant Director (Chief Executive's Dept.) is the Authority's designated Monitoring Officer, under Section 5 of the Local Government and Housing Act 1989. He/she (together with the Section 151 Officer) is responsible for advising the Portfolio Holder, Cabinet or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the approved budget. Actions that may be 'contrary to the budget' include:

- a) Initiating a new policy
- b) Taking, or failing to take action which will, or is likely to result in any defined budget for the current year being exceeded by an amount which in the view of the Section 151 Officer, taking into account all the circumstances at the time, is contrary or not wholly in accordance with the budget
- c) Committing, or seeking to commit expenditure in future years above the approved level
- d) Causing the Council's total budgeted sum for either the Housing Revenue Account or the General Fund to increase by more than the following amount in any one year (determined by the Section 151 Officer):

£100,000

ANNEX B

Financial Planning and Budgeting Policy Framework

Section 1: Budgeting and budgetary control

Regulation B.8

Last updated: May 2014

The Section 151 Officer shall determine the format of how budgets, revenue and capital, are presented and reported on. Revenue and capital budgets shall be submitted to Cabinet for consideration together and will be fully integrated and cross-referenced.

Section 1: Budget preparation

1.a) The Section 151 Officer is responsible for ensuring that a revenue budget is prepared on an annual basis for consideration by the Cabinet, before submission to the Council in the fourth quarter of the financial year. Fully-costed service budgets shall be prepared by the Section 151 officer in conjunction with the delegated budget holder. Budgets proposed to Cabinet should include allocations to each service and projects (where appropriate), proposed taxation levels and contingency funds (where appropriate). Such budgets will be in accordance with the Council's Medium Term Financial Strategy, will include revenue projections covering three years and capital projections covering five years, and will include appropriate risk management processes in their compilation.

1.b) It is the responsibility of Corporate Directors, and their delegated representatives, to ensure that budget estimates reflect agreed service plans and are scrutinised and endorsed by appropriate Members including Portfolio Holders and relevant Overview and Scrutiny Committees, prior to collation by the Section 151 Officer for submission to Cabinet.

1.c) The budget submission for the coming year shall show in respect of each defined item of income and expenditure:

- i) the original estimate and any revised estimate for the current year
- ii) the actual outturn for the previous year
- iii) estimates for the coming year with appropriate explanation of any significant issues or variations anticipated in the future.

In relation to i.) above the responsible Director, or the Section 151 Officer, shall report on any material variations.

1.d) The Cabinet shall consult with stakeholders and Overview and Scrutiny Committee(s) and make amendments as thought fit (subject to the advice of the Section 151 officer), prior to recommending appropriate budgets to Council.

1.e) Changes to the Budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the Section 151 Officer to the Cabinet for consideration before being referred to the full Council for approval.

Budget monitoring and control

1.f) In order to enable budgets to be monitored effectively, the Section 151 Officer will provide appropriate financial information to Corporate Directors, Assistant Directors and Group Managers. The Section 151 officer will monitor expenditure and income against budget, and will report to the Corporate Management Team on the Council's financial position against its budget on a monthly basis, and to Cabinet on a quarterly basis. This will include the detailed actual position in comparison to the budget for the year, projected outturn position for the end of the year, and any proposed action to be taken to deal with any variances. The report will show performance against individual detailed service budgets and also on a subjective basis.

1.g) Corporate Directors shall make appropriate arrangements, subject to these having been approved by the Section 151 Officer, to process all income and expenditure in a timely manner and charge it to an appropriate account code, so that information, and interpretations thereof, provided in accordance with clause 1.f above fairly reflects the true position.

1.h) It is the responsibility of Corporate Directors, Assistant Directors and Group Managers to control income and expenditure within their area, taking account of financial information provided by the Section 151 Officer, as well as supplementary local information systems. Each Director shall ensure that all expenditure committed by their directorates is within a revenue, capital, or other budget approved by Council. Any potential expenditure or loss of income, which cannot be funded from within the totality of the service budget, supported by the approved Scheme of Virement shall be reported to the Section 151 Officer as soon as this is anticipated by the Director.

1.i) The inclusion of items in approved revenue or capital budgets shall constitute approval to incur expenditure, subject to compliance with Procurement Standing Orders or other requirements included within these Regulations.

Section 2: Capital plans and budgets

Regulation B.9

Last updated: May 2014

Preparation and approvals

2.a) The Section 151 Officer is responsible for ensuring that a rolling 5 year Capital Programme is prepared on an annual basis for consideration by Cabinet and submission to the Council as part of its annual budget-setting process, and that

capital and revenue budgets are fully integrated.

2.b) The Programme will be informed by the Council's Capital Strategy and Medium Term Financial Strategy and by such capital and revenue resources as the Section 151 Officer recommends be made available over the Programme period.

2.c) The Section 151 Officer, in conjunction with Corporate Directors, will prepare and submit to Cabinet the estimates of capital payments planned to be incurred in the ensuing years. Capital estimates will be integrated with and cross-referenced to revenue budget estimates.

2.d) The Capital Programme submitted to Cabinet for consideration will include the total sum set aside for capital projects in the year under consideration and for future relevant years, together with details of individual projects being submitted for approval. The Capital Programme submitted to Cabinet will also include details of and provision for capital schemes already approved and in progress from previous years. Projects will be considered for inclusion within the Capital Programme in accordance with the arrangements set out in the Capital Strategy.

2.e) So far as is possible, all new schemes for the coming year will be identified in the budget report. Any subsequent new schemes will be approved by Cabinet within the total made available for capital schemes. Cabinet may ringfence sums of capital, or agree schemes in principle, with release of detailed sums delegated to the Portfolio Holder (Finance & Resources) if it considers it appropriate.

2.f) All new capital schemes will be evaluated by the Capital Strategy Steering Group, and will include risk assessments in their planning and execution.

Section 3: Scheme of virement

Regulation B.11

Last updated: May 2014

3.a) Virement is an in-year mechanism for formally determining and seeking agreement to the transfer of funds from one approved budget heading to another. The Virement policy set out below applies to all transfers of budget, of any value and for any reason, including for reasons of organisational restructure.

3.b) No virement has been carried out unless it has been done in accordance with these Regulations, has been approved by the Section 151 Officer and is recorded in a register maintained by him/her, and the Council's corporate Financial Management Information System has been updated accordingly. The recording of an approved virement does not alter the original budget approved before the start of the year.

3.c) The rules on virement apply to revenue and to capital and to all accounts under the Council's control.

3.d) A virement can not increase nor decrease the total amount of budget resource available: the net effect of all virements must be nil.

Levels of authority

3.e) A hierarchy of authorities is required to determine the type and level of virement that may be authorised by committees and officers of the Council. This is given in the **Schedule of Authorisations, item 1.**

3.f) In no instance should a virement be considered where approval would have the effect, or be seen to have the effect of frustrating, circumventing or amending the Council's policies or budget framework. Proposals for any new capital or revenue scheme, new sources of income, and significant variation in approved charges shall be considered by Cabinet and, if appropriate, Council.

Principles of application

3.g) The proposed virement must be for a purpose or budget previously approved by Council. Sufficient funds must remain in the transferor budget to meet all remaining commitments for the year. "Transferor budget" in this context refers to individual line budgets and not to the total budget for the service.

3.h) Subject to being over-ridden by a higher authority, no virement shall take place without the agreement of the transferor.

3.i) The virement must not commit expenditure in any following year. Base budgets for the following year(s) shall be 're-set' to exclude any virement made.

3.j) Any proposed transfer of funding to 'employee' budgets must not increase total employment costs beyond the current year. Employment cost for this purpose shall include payments to and for staff, agency and other temporary engagements, and overtime.

3.k) Where not specifically budgeted for within a scheme or project, consultancy and agency staff fees shall be deemed to be included within 'employee' costs for the purpose of this scheme.

3.l) Budgets for central and departmental recharges, asset rents, depreciation, interest receivable, capital receipts / payments / charges, and similar corporate 'accounts' are excluded from this scheme.

Capital

3.m) Virements between two or more approved capital schemes require the authorisation of Cabinet unless such virement has been delegated by Cabinet to the Portfolio Holder (Finance & Resources).

ANNEX C

Risk Management and Resource Control

Section 1: Maintaining internal control

Regulation C.6

Last updated: May 2014

Audit arrangements

1.a) The Accounts and Audit Regulations 2003, as amended, require every local authority to maintain an adequate and effective internal audit function. The Corporate Director (Finance & Operations) has the responsibility to ensure that the Internal Audit Contractor independently reviews and reports formally to the Audit Committee on the adequacy and effectiveness of the Council's control environment.

1.b) The Section 151 Officer shall maintain an adequate and effective system of internal audit of all accounting, financial and other operations of the Council, and in particular shall arrange, either directly or through an Internal Audit service provided under contract, for the examination, review and appraisal of:

- i) the soundness, adequacy and application of internal controls
- ii) the safeguards applied to Council assets to protect them from loss, theft, fraud, waste, inefficiency, extravagance, or poor value for money
- iii) the suitability and reliability of financial and other management information
- iv) compliance with rules, regulations, legislation, policy and procedures.

1.c) The Corporate Director (Finance & Operations) shall be responsible for ensuring that an annual report is prepared setting out:

- i) an opinion on the overall adequacy and effectiveness of the Council's control environment
- ii) disclosure and qualifications to that opinion
- iii) a summary of the audit work undertaken, and
- iv) any issues that are relevant to the preparation of the Annual Governance Statement . This shall be submitted to the Audit Committee as soon as is practicable after the end of the year to which it relates.

1.d) Internal Audit staff have specific authority to access appropriate Council personnel, correspondence and data at any time. Details of these powers are set out in the contract with the Internal Audit provider.

Preventing and detecting fraud and corruption

1.e) The Section 151 Officer is responsible for the development and maintenance of an anti-fraud, anti-corruption and whistleblowing policies. The Monitoring Officer shall be advised in any instance where a member may be implicated.

Dacorum Borough Council Financial Regulations – Annex C

1.f) The Section 151 Officer shall be notified immediately by the relevant Corporate Director of any suspected irregularity:

- i) concerning income, expenditure, cash, stores or other property of the Council
- ii) in the exercise of the functions of the authority that may appear to place an officer(s) or member(s) under suspicion of obtaining financial benefit, directly or indirectly, as a result of the exercise of any Council function with which he/she is associated.

Where notification has been received, the Section 151 Officer shall take such steps as is considered necessary by way of investigation and report.

1.g) Should it be found that any major irregularity has, is, or is about to occur, the Section 151 Officer shall immediately inform the Chief Executive and the Chairman of the Audit Committee. The Section 151 Officer is responsible for determining whether any irregularity shall be referred to the Police. There shall, however, be a presumption when considering any case, that suspected criminal acts perpetrated against the Council should be referred to the Police for investigation.

Security of assets

1.h) Corporate Directors should ensure that records and assets are properly maintained and securely held. They should also ensure that effective contingency plans are in place to:

- i) ensure continuity of service in the event of disaster or system failure
- ii) ensure that assets are secured in the event of disaster
- iii) hold in trust all assets secured as a result of clearing vacated council-owned premises until such a time as they can be properly disposed of in accordance with the regulations to be set out in the contingency plan

1.i) The Group Manager (Commercial Assets & Property Development) shall maintain a terrier of all land and buildings owned by the Council, or premises in which the Council has an interest. He/she shall ensure that all council buildings comply with all relevant legislation and that all relevant permissions and consents are secured.

1.j) The Assistant Director (Chief Executive's Dept.) shall be responsible for the safe custody of all title deeds, formal contracts and agreements, under secure arrangements agreed with the Chief Executive and the Section 151 Officer.

1.k) Group Managers shall maintain adequate and proper security at all times for all buildings, stocks, stores, furniture, equipment, vehicles, plant, cash and other assets of the Council, under their control.

1.l) Maximum limits for cash holdings, in whatever receptacle, shall be agreed with the Section 151 Officer, and shall not be exceeded without his/her express permission and with regard to the appropriate insurance limit. Current limits are set

Dacorum Borough Council Financial Regulations – Annex C

out in the **Schedule of Authorisations, item 2**. Cash received in total in excess of this amount must be banked within 24 hours.

1.m) Officers, who in the course of their duties collect monies on behalf of the Council, the Council's partners or third parties, shall take all reasonable steps to secure safe custody and shall comply with any instructions given by the Section 151 Officer.

1.n) Each Corporate Director shall make arrangements to maintain a register of keys for external doors, safes, cash boxes and others items of similar importance. All safes shall meet with such specifications determined by the Section 151 Officer after consultation with the Council's insurers. The Register shall list the keyholders and out of hours contact arrangements. The Register should be held securely and only be available to authorised officers. All keys issued to staff are to be carried on the person, or held in a secure place, by those responsible at all times. Safe keys must not be left on the premises where the safe is situated. The loss of keys must be reported to the relevant Director and Section 151 Officer immediately.

1.o) With regard to computing, systems, software and data integrity, the Corporate Director responsible for ICT services shall:

- i) Ensure proper security and privacy arrangements are applied in respect of all information held on the Council's computer installations, and that information is used in accordance with Data Protection and other relevant legislation.
- ii) Ensure that effective contingency plans, disaster recovery and back-up procedures enable information systems to resume speedily in the event of an interruption. These should be documented and distributed to all appropriate personnel. He/she shall from time to time arrange for such plans to be tested.
- iii) Ensure that the Council, its employees, contractors, partners and agents working in support of the Council, comply with copyright, design, patent and similar legislation.

1.p) Each Corporate Director shall ensure that all staff and third party contractors/partners are aware of, and observe such rules and guidance, as may be issued under clause 1.m above. In addition, they shall ensure that the same standards of care apply to those computer systems directly under their control.

1.q) Corporate Directors are responsible for ensuring that all visitors to any Council buildings or sites, except in public areas, are signed-in and wear authorised identification. They shall also ensure that any visitor is adequately supervised to ensure confidentiality of information and security of Council assets at all times.

1.r) Corporate Directors, acting with the advice of the Section 151 Officer, shall ensure that the principles of separation of duties and good control procedures are observed in the allocation of accounting duties. They shall make arrangements so that:

- i) Duties of providing information regarding sums due to or from the Council and of calculating, checking and recording such sums shall be separated from the duty of cash or income handling and disbursing them.
- ii) Officers responsible for examining and checking the accounts for cash, stocks, stores and similar transactions shall not themselves be engaged in any of these transactions.
- iii) The organisational structure provides internal controls and minimises the risk of fraud or other malpractice.

Treasury management

1.s) The authority has adopted the Code of Practice for Treasury Management in Local Authorities published by CIPFA (2nd ed. 2009)

1.t) The Section 151 Officer is responsible for reporting to Cabinet a proposed Treasury Management Strategy for the coming financial year on an annual basis. The Council is responsible for approving the Treasury Management Statement. The Section 151 Officer has responsibility for implementing and monitoring the Statement.

1.u) He/she is responsible for reporting to the Cabinet at least twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation within the period of the succeeding financial year.

1.v) All executive decisions on borrowing, investment or financing shall be delegated to the Section 151 Officer, who is required to act in accordance with CIPFA's Code of Practice.

1.w) All money in the hands of the Council is controlled by the Section 151 Officer. All external investments shall be made in the name of Dacorum Borough Council and shall be undertaken by the Section 151 Officer.

1.x) The Section 151 Officer is responsible for authorising the opening of any new bank accounts or for closing bank accounts, for managing and controlling all bank accounts held by the Council, and for liaison with the Council's bankers. He/she will also approve the financial limits of authorised signatories to bank accounts. The term 'bank account' includes accounts with building societies, the post office or any financial institution and also includes credit or debit card facilities.

1.y) The Section 151 Officer is responsible for applying for any debit or credit cards and for determining the ongoing need for any such cards in use.

Section 2: Staffing and consultancy arrangements

Regulations C.7 & C.8

Last updated: May 2014

Staffing arrangements

2.a) A staff structure is required to provide support to the Cabinet, the Council and the Committees of the Council for the conduct of business. The Chief Executive, as Head of Paid Service, is responsible for determining how officer support for Cabinet and non-Cabinet roles within the authority will be organised in line with hierarchy of the authorisations specified in Annex C, Clause 2.g). The Chief Executive is responsible for providing overall management to staff and for ensuring that there is proper use of the evaluation or other agreed systems for determining remuneration of employment.

2.b) Corporate Directors, Assistant Directors and Group Managers are responsible for ensuring that:

- i) staffing levels can be funded within the totality of the approved current and forward years' budget provision allocated to them
- ii) rules relating to virement as they apply to the engagement of staff are observed.

2.c) The Chief Executive shall ensure that there is an official record of the officer structure showing each post.

2.d) The Corporate Director (Finance & Operations) will ensure that the annual budget presented for approval balances with the approved structure charts, net of any vacancy provision policy that the Council may operate from time to time.

2.e) Directors may appoint employees only to posts identified in the structure chart and on grades set out therein (apart from any additional remunerative arrangements such as leased cars, market forces supplements etc that the Council may apply from time to time).

2.f) The Corporate Director (Finance & Operations) shall ensure that the corporate employee database and payroll reflect only the official gradings of posts, and that additions to the payroll are effected only for posts within the structure charts.

2.g) Changes may be made to the structure charts in accordance with the hierarchy of authorities given in the **Schedule of Authorisations, item 3**, where the net effect of any changes is no increase in cost for the current, or a full year. Where a change to the structure chart results in an increased net cost, it shall require the approval of Council on the recommendation of Cabinet.

2.h) Corporate Directors may engage temporary staff to cover for the exigencies of the moment and/or staff absences/vacancies. Whilst not reflected on the structure

charts, payment may be effected through the payroll if in the opinion of the Section 151 Officer it is appropriate to do so. The Section 151 Officer will ensure that all such 'employment' is clearly shown on system as temporary and will ensure that no contractual commitment is entered into that would cause the temporary or interim worker to gain full employment rights.

2.i) The annual budget report submitted by the Corporate Director (Finance & Operations) shall include a section identifying any changes made to the structure charts since the previous budget report and defining the structure for the coming year.

Use of consultants

2.j) A consultant organisation or consultant may be engaged, where in the opinion of the Chief Executive or relevant Corporate Director he/she considers that the consultant will add value to the Council's determination of a particular technical, professional, managerial or political matter. This scheme applies to commissioned work and managing or advising consultancy and does not embrace the engagement of agency or other personnel covering vacancies within established posts. Costs of consultants must be contained within existing budgets.

2.k) A consultancy or interim staffing arrangement will exist where the person and/or company is not employed under a direct contract of employment with the Council and such appointments shall be procured through the following:

- i) an agency contract agreed under a framework agreement for the supply of agency staff as detailed on the Council's Contract Register; or
- ii) be procured through the Corporate Procurement Team and in accordance with Procurement Standing Orders.

2.l) Prior to inviting consultancy support the relevant Corporate Director shall identify and set down in writing the project objective(s), required 'deliverables', and timescales, which shall then form the basis of any consultancy contract.

Project brief and monitoring arrangements

2.m) In letting and managing a consultancy contract, the Corporate Director shall:

- i) ensure that the outcomes and timescales of a consultancy are determined in writing in advance of any contract being let
- ii) assign responsibility within his/her directorate for the day to day management of the consultancy
- iii) determine the monitoring arrangements, review points, and any documentation and/or access and/or other protocols necessary for the conduct of the consultancy

Dacorum Borough Council Financial Regulations – Annex C

- iv) ensure that adequate and appropriate records are kept of consultant hours and/or outputs where payment is based on time used or production of specified outputs
- v) ensure that all consultants are engaged on the basis of a written contract, set down and agreed before the commencement of the consultancy, and that such contract requires the consultant(s) to comply and be bound by any prevailing policies, standing orders, financial regulations and other instructions that are relevant to the consultancy task as though the consultant(s) were employees of the Council
- vi) ensure that all documentation or other outputs generated by the consultancy are and remain the property of the Council in all respects, but especially including copyright and intellectual property rights, and that such material shall be in the possession of the Council at the end of the consultancy
- vii) ensure that where consultants are retained to supply a product of significant ongoing tangible value to the Council, e.g. architects, engineers, software consultants etc, that the consultant(s) have adequate professional indemnity and public liability insurance cover in place, and that the existence of such cover shall be a contractual requirements.

ANNEX D

Schemes of Delegation

Regulation D.4.

Last updated: May 2014

Corporate Directors are required to maintain a scheme of delegation identifying officers authorised to act on their behalf on financial matters. A completed copy will be retained by the Section 151 Officer.

The scheme shall cover authorisation of payments to be made to staff, contractors and suppliers, the collection of income and placing of orders including variations. In each instance, the financial limits within which the member of staff or agent has authority to act shall be identified as follows. All contracts must be let in accordance with the Procurement Standing Orders, and Procurement guidance must be sought for the letting of contracts outside of the approval levels contained within the table below. Where a postholder meets more than one of the criteria below e.g. Section 151 Officer and Corporate Director, the higher of the two values should be taken.

| Postholder | Authorisation Level | |
|---------------------|---------------------|------------------|
| | Contract Letting | Agresso Approval |
| Chief Executive | £500,000 | £10,000,000 |
| Section 151 Officer | £500,000 | £10,000,000 |
| Corporate Director | £500,000 | £1,000,000 |
| Assistant Director | £250,000 | £250,000 |
| Group Manager | £50,000 | £50,000 |
| Team Leader | £10,000 | £10,000 |

ANNEX E

Income and assets

Section 1: Accounting for income

Regulation D.6

Last updated: May 2014

1.a) The key controls for income are that:

- i) all income due to the Council is identified and charged correctly, in a timely manner and in accordance with corporate charging policies, and is collected and properly accounted for
- ii) in the case of significant contracts, a financial vetting procedure is used to assess the merits of trading with the prospective (or, where appropriate, existing) customer
- iii) all income is banked or remitted to the Finance Department within one working day in line with the requirements of the Section 151 Officer
- iv) responsibility for cash handling should be separated from the person raising the debt
- v) effective action is taken to pursue non-payment within defined timescales
- vi) formal approval for debt write-off is obtained in accordance with Council policy and actioned promptly
- vii) retention and storage of all appropriate income documents is in accordance with the document retention guidelines.

Responsibilities of the Section 151 Officer

1.b) The responsibilities of the Section 151 Officer are:

- i) To authorise arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.
- ii) To maintain a financial vetting procedure for use in selecting and approving prospective (or, where appropriate, existing) customers in respect of significant contracts.
- iii) To establish and initiate appropriate recovery procedures, including legal and bailiff action where necessary (subject to legal advice where appropriate), for debts that are not paid promptly.

Dacorum Borough Council Financial Regulations – Annex E

iv) To authorise the write-off of bad debts up to an approved limit and to ensure that larger sums are referred to the Portfolio Holder (Finance and Resources) with his/her recommendation, or to Cabinet as appropriate.

v) To ensure that appropriate accounting adjustments are made following write-off action for all debts

vi) Debts will be collected by the Corporate Director (Finance & Operations) unless specifically authorised otherwise by him/her. Assistant Directors/Group Managers will notify the Corporate Director (Finance & Operations) of all debts due promptly so that he/she can issue debtor accounts expeditiously. Such notification to the Corporate Director (Finance & Operations) will include all information required by him/her, and be in a form required by him/her to enforce collection effectively. This may include evidence to support enforcement during legal proceedings.

vii) To maintain and keep updated by submitting proposals to Cabinet, a policy for fees and charges, in consultation with relevant Corporate Directors.

viii) Reviewing the ordering, issuing and control of official receipting documentation.

ix) Regularly advising relevant managers of the status of debts outstanding.

x) Agreeing, determining and advising responsible officers of the minimum amount for which an invoice may be raised.

xi) Agreeing and determining the use and terms acceptable for credit and debit card receipting.

xii) Ensuring that appropriate accounting adjustments are made following write-off action.

xiii) Where money, money's worth or the security of financial documents may be at risk ensuring, where practical, that at least two employees are present when post is opened so that funds, or the financial document received is properly identified and recorded.

Responsibilities of Corporate Directors

1.c. The responsibilities of Corporate Directors are:

i) To establish departmental charges for the supply of goods or services, including the appropriate charging of VAT, and to review them at least annually, in line with the corporate charging policies.

ii) To ensure that the advice of the Section 151 Officer (or an officer to whom responsibility has been delegated) is obtained in respect of prospective (or, where appropriate, existing) customers where significant contracts are being considered.

iii) To supply the Section 151 Officer with details relating to work done, goods supplied, services rendered or other amounts due in a timely manner, so that sums

Dacorum Borough Council Financial Regulations – Annex E

due to the Council are recorded correctly. This includes ensuring that there is sufficient evidence of a usable quality is taken and held for debt collection purposes such as proving invoices or initiating legal proceedings.

iv) To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable

v) To ensure that proper banking and accounting procedures are observed, which will include the issue of official receipts and to ensure that appropriate details are recorded on to bank paying-in slips to provide an audit and management trail. These details should match the payment to the account or invoice to be credited.

vi) To assist the Section 151 Officer by providing any further information requested by Financial Services to facilitate the follow up and recovery of outstanding debts and to assist in the following up of outstanding debts on behalf of the Council.

vii) Identification, collection, receipt, custody, control, disposal and proper accounting of all monies received, or receivable by the Council in accordance with any requirements of the Section 151 Officer.

viii) Immediate acknowledgement of sums received by an officer, by the issue of a sequentially pre-numbered receipt, ticket, voucher, or other document approved by the Section 151 Officer. Accounting for all receipts issued to officers, ensuring that they are used for official purposes and that the monies so receipted have been promptly collected and paid over to the Council, or its bankers intact, and without deduction for other purposes.

ix) Systematic consideration of bad and doubtful debts, including the cessation of service where there is a history of persistent poor payment in consultation with the Section 151 Officer.

x) Levying and collecting charges in advance or at the time for services provided. Where this is not feasible responsible officers shall promptly issue a sundry debtor account.

Responsibility for recovering the Council's income

1.d) The responsibility for recovering the Council's income is as follows:

i) Council Tax and Business Rates – Assistant Director (Finance & Resources)

ii) Housing rents and associated income – Assistant Director (Housing Landlord)

iii) Parking – Assistant Director (Finance & Resources)

iv) Entertainments – Assistant Director (Strategy and Transformation, Community & Organisation)

v) Sales – various

- vi) Government grants – Assistant Director (Finance & Resources)
- vii) Commercial rents and associated income – Assistant Director (Finance & Resources)
- viii) Planning application fees – Assistant Director (Planning, Development & Regeneration)
- ix) Building Control application fees – Assistant Director (Planning, Development & Regeneration)
- x) Building Control fees (invoiced) – Assistant Director (Finance & Resources)
- xi) Licensing application fees – Assistant Director (Chief Executive’s Dept.)
- xii) Invoicing annual fees - Assistant Director (Finance & Resources)
- xiii) Sundry income invoiced through Accounts Receivable – Assistant Director (Finance & Resources)

The definition of “Sundry Income” for the purposes of the above is:

- (a) Those amounts due in respect of sales, fees and charges for services provided by the Council or falling due for payment, and which are:
- (b) Invoiced using the Accounts Receivable system, and/or
- (c) All income types other than those listed above.

Section 2: Documentation and cash handling

Regulation D.7

Last updated: May 2014

2.a) All books and forms of account and all official receipt forms or books, licences, tickets and all documents or vouchers or tokens representing receipts or money shall be in a form approved by the Section 151 Officer.

2.b) The arrangements for ordering, storing and control of such receipts, forms, books and other documents shall be approved by the Section 151 Officer. All receipts and issues of such documents shall be properly recorded and acknowledged in a manner approved by the Section 151 Officer.

2.c) All cash received on behalf of the Council shall be properly acknowledged by the issue of an official Council receipt or other document of a type referred to above, unless alternative arrangements have been approved by the Section 151 Officer.

2.d) Receipts for payments made by cheque should be made when requested by the payer. Payments received by automated methods, such as by debit/credit cards or via the Internet, must be recorded in such a manner as to facilitate reconciliation of the amounts received with the account(s) to be credited.

2.e) Bankings must always be intact, i.e. to include all monies received that day (or other agreed period).

2.f) No expenditure should be made out of income received which should all be banked in full. Refunds of overpayments must be made through the Creditors system, unless specifically sanctioned by the S151 Officer.

2.g) Third-party cheques should only be accepted where the cheque is from an approved source, e.g., utility undertaking and where it is used in full or part settlement of a Council debt. In no circumstances should they be cashed, or be accepted and change given.

2.h) Council cheques should only be accepted when it has been confirmed with Financial Services that no "stop" exists.

2.i) No cheques from anyone should be cashed at all apart from, in limited situations, Dacorum Borough Council cheques being cashed or opened. Where a request is made to open a cheque, such action must be approved by the Section 151 Officer.

2.j) Under no circumstances should personal cheques belonging to staff be cashed in, or money borrowed from, income or other Council monies. Breach of this Financial Regulation will be regarded as disciplinary matter.

Holding cash for third parties

2.k) In instances where officers of Members of the Council receive cash belonging to third parties, such as in the case of clearing council owned property and retaining assets until they can be passed to an identified owner, the standard procedure note for receipting cash will be followed.

Invoices and record keeping

2.l) Demand notices or invoices shall be raised in respect of all debts except:

- (i) parking fees
- (ii) entertainment tickets
- (iii) ad hoc cash sales
- (iv) such other situations as the Section 151 Officer may determine as appropriate, such situations being recorded in a revision of Financial Regulations as soon as is practical

2.m) Where income is derived from a certificated grant claim to the government, the documentary provisions related to that claim shall apply for record keeping purposes.

2.n) Where a demand notice or invoice is required, the following services shall be responsible for issuing them:

- i) Council Tax and Business Rates – Assistant Director (Finance & Resources)
– Demand Notices

- ii) Housing rents and associated income – Assistant Director (Housing Landlord)
– Rent Statements
- iii) Commercial rents and associated income – Assistant Director (Finance & Resources) – Invoice
- iv) (Sundry income via Accounts Receivable – Assistant Director (Finance & Resources) – Invoice

2.o) For debts arising for Council Tax, Business Rates and Housing Rents, there are statutory provisions that must be followed for raising demand notices. These provisions are set out in separate procedure manuals and are not repeated here.

2.p) Where a debt is to be invoiced and recovered by Financial Services, it shall be the responsibility of the Group Manager that has arranged or provided the service to ensure that:

- (i) Liability is properly established
- (ii) The service is documented in a contract or agreement that has been correctly signed by all relevant parties
- (iii) That the contract or agreement or other relevant evidence is provided to Financial Services as evidence with the invoice request
- (iv) All liabilities should be raised against individuals or corporate entities. Liabilities shall not be raised in the name of “The Occupier” or similar forms and neither should trading names be used in the place of proper legally recognised persons.

2.q) It is imperative that proper evidence supports invoice requests as this prevents invalid invoices being issued. Invalid invoices generally lead to debit reversal to the originating department cost centre or bad debts and write offs.

2r) All notifications of debt to debtors will be by official invoice issued by the Corporate Director (Finance & Operations) or by another Corporate Director in respect of a service and in a manner approved by the Section 151 Officer. Under no circumstances may service departments operate unofficial debtor systems or seek to manage debt via correspondence with the debtor.

2.s) All invoices for income due to the Council shall be prepared and issued by Financial Services, such issues immediately following an invoice request that is supported with the relevant evidence. Invoice requests that are not adequately supported will be returned to the originating department for rectification.

2.t) Invoices shall be set out and issued in the manner approved by the Section 151 Officer

2.u) Invoices may be reduced in value if the services provided have been incorrectly charged at a higher level. Where the value of an invoice needs to be reduced, a written instruction must be provided to Financial Services detailing the reasons and

Dacorum Borough Council Financial Regulations – Annex E

the revised amount and signed by the relevant Assistant Director, (as defined under regulations defining responsibility for recovering the Council's income, above).

2.v) Invoices may only be cancelled where:

- (i) the debt has been raised against an incorrect liable party
- (ii) a variation to a lease or licence results in a lower charge
- (iii) the planned service has not been provided, eg. a trade refuse contract that has commenced, but the bin was not been delivered
- (iv) the information recorded on the invoice is factually wrong, or
- (v) the “debtor” has no liability in law.

2.w) Where an invoice is cancelled, the reason for cancellation must be recorded in a written instruction and signed by the relevant Assistant Director. In all other circumstances where an invoice needs to be cancelled, the write off procedure must be used.

2.x) No customer should be advised that a debt is uncollectable or will be written off or be given similar undertakings unless the decision making process with regard to debt write-off has been completed.

Section 3: Petty cash, change floats, and credit card purchases

Regulation D.10

Last updated: May 2014

3.a) The Council's resources may be held as cash only where there is a business need. Any cash holdings must be authorised by the Section 151 Officer who will review the need for such cash holdings periodically and may, at his/her discretion, in consultation with Corporate Directors, withdraw or alter the size of cash holdings.

3.b) Any requests for cash holdings shall be made by the relevant Corporate Director to the Section 151 Officer. Directors will also furnish the Section 151 Officer with a schedule of all cash holdings with details of the officer responsible for their custody.

3.c) In all instances vouchers seeking payment shall be properly certified for payment by officers authorised to do so and coded. All vouchers shall have attached to them securely receipts and/or other appropriate documentation in support of the full value of the payment that is requested. Vouchers shall be stored in line with the Document retention schedule.

3.d) The Section 151 officer shall determine the form for vouchers to be used to seek disbursement from petty cash holdings or imprests. No other form of voucher shall be used to obtain disbursement of official monies in this manner.

3.e) Cash reimbursements shall be limited to minor purchases (when supported by

receipts) not exceeding a sum determined by the Section 151 Officer and specified in the **Schedule of Authorisations, item 4**. Payments must not be broken up to avoid this limit. Petty cash floats may not be used for reimbursements of employee expenses, payments of invoices, or refunds. Official monies must never be used for cashing personal cheques.

3.f) Periodically, and at least monthly, responsible officers shall perform, in conjunction with another officer regular checks to ensure that the balance of credit on the account together with the sums disbursed equal the amount of the approved imprest. A record of such reconciliation, signed by both officers, shall be retained.

3.g) Corporate Directors shall ensure that any imprest held by an officer leaving his/her post is checked prior to his/her leaving and either paid back into the Council's Bank Account or transferred to another authorised officer.

3.h) Only the Section 151 Officer may apply for official credit cards. Credit cards will only be issued to and retained by officers who have a business need that cannot be satisfied by other means. The Section 151 Officer will review at least annually the business case for the issue and retention of each credit card and will, in consultation with the appropriate Corporate Director, withdraw all cards that seem to him/her to be no longer be necessary.

3.i) Official credit cards will only be used for purchases of goods and services for the Council from third parties. They will never be used for personal transactions under any circumstances. They will not be used for expenses in relation to the running of any motor vehicle. Such matters being dealt with either through the issue of official orders and receipt of invoices or through personal expense claims. It is permissible for official credit cards to be used for expenses where the expense would be reimbursable in full on production of a receipt, such as for rail fares or hotels (accommodation only). In the event of any ambiguity regarding what is permissible expenditure, holders should consult the Section 151 Officer, whose decision shall be final.

3.j) Credit cards will never be used for obtaining cash advances.

3.k) Employees holding credit cards will ensure that VAT receipts are obtained, where relevant, for all transactions and that all supporting documentation is handed over promptly to permit the payment of credit card bills.

Section 4: Debt write-off and credit write-on procedures and limits

Regulations D.13 & D.14

Last updated: May 2014

Write-offs

4.a) A write-off request must be prepared detailing:

- (i) ___ name and address of the debtor

- (ii) value of the debt
- (iii) service provided
- (iv) reason why the debt is irrecoverable
- (v) the authorisation route that must be followed.

4.b) The write-off request should account for the full indebtedness of an individual or organisation and any information relevant to determining their financial obligations to the Council, and should also identify previous write-offs for that debtor.

4.c) Where credits exist in the name of the debtor, they should be offset against the debt in order to minimise the extent of write-off.

4.d) Where there are multiple write-off requests, the requests shall be compiled into a schedule for each month that shows the following:

- (i) name of the debtor
- (ii) value of the debt
- (iii) type of reason why the debt is irrecoverable
- (iv) the total value of debt write-off requests in the period covered by the schedule and the sub-total of values by type.

4.e) The write-off request must be supported by appropriate working papers that support the reason for writing off the debt. The individual request or schedule of requests must be approved by the relevant Group Manager and the Section 151 Officer. The Section 151 Officer may request further details of write-off requests listed on the schedules prior to approval.

4.f) Authorisation for write-offs depends on the value of the write-off request. A schedule of authorisations is provided in the **Schedule of Authorisations, item 5**. Depending upon the write-off thresholds, the request may be supported with a minute/decision sheet relating to a Portfolio Holder or Cabinet decision. All proposed write-offs shall be subject to review and approved by the Section 151 Officer who may, if he/she considers it appropriate, determine that a higher level of authority for write-off should be exercised.

Write-ons

4.g) Where unclaimed credits are held within the Council's accounts, they may be considered for writing on. Where this happens, a write-on request form shall be prepared detailing:

- (i) name and address of the account holder
- (ii) value of the credit
- (iii) service that the credit relates to
- (iv) reasons why the credit should be written on.

4.h) The write-on request form must be signed by the relevant Group Manager and supported by appropriate working papers. The request will be considered and determined by the Section 151 Officer.

4.i) All write-off and write-on paperwork shall be retained for such period of time as required by the Document Retention Schedule for Dacorum Borough Council.

Write-off recovery thresholds

4.j) The cost of undertaking recovery proceedings can be expensive and given the low value of some debts, it may not be economic to commence such action. The Section 151 Officer, shall set de-minimis levels for recovery action and review and amend them on a periodic basis. Write-off recovery thresholds are set out in the **Schedule of Authorisations, item 6.**

4.k) Where a debt is considered in court proceedings and it is in the interests of the Council to accept a consent order for a lower amount in full and final settlement of the debt, any value that needs to be written off will be accounted for as per the threshold table with the reasons attached to it. Where this occurs, the authorising role will not be able to challenge the write-off due to the existence of a court order. However, if there are doubts as to the appropriateness of the full and final settlement decision that related to the court order, then the Section 151 Officer shall investigate the case and take appropriate action.

4.l) With the exception of court order cases, the process of writing off debt is not irreversible and in the event that monies are recovered in the future, the relevant amount will be credited back into the Council's accounts.

Credit Limits

4.m) There is a general presumption that discretionary services provided to a customer should be paid for on time. In the event of a repeated failure to pay in accordance with the credit terms and where appropriate, the Accounts Receivable Team will recommend to the service department that the provision of services should cease. In the event that the recommendation is not accepted by the service department, then the service department must provide reasons in writing to the Section 151 Officer as to why services should continue to be supplied.

4.n) To reduce the risk of loss of income or value of good and services to be supplied, the Section 151 Officer shall maintain a financial vetting procedure in order to assess or review the risk of entering into or, where appropriate, continuing with, significant contracts with existing and prospective customers, suppliers or partners.

4.o) The procedure referred to in Clause 4.n above shall define the term 'significant contract' and take into account the Council's revenue streams, procurement contracts and partnerships and the prevailing risks associated with them. Where a prospective (or, where appropriate, existing) customer, supplier or partner fails to achieve a satisfactory financial vetting assessment, the Council shall:

- (i) not enter into any new contractual arrangement and
- (ii) review any existing contractual arrangement to establish whether it is appropriate to continue the said existing contractual arrangement in the light of the assessment.

Section 5: Responsibilities for stocks, stores and minor assets

Regulation D.15.

Last updated: May 2014

Responsibilities of the Section 151 Officer

5.a) The Section 151 Officer is responsible for:

- i) Adopting appropriate accounting policies and advising Corporate Directors of the basis to be adopted for valuing stocks and stores.
- ii) Ensuring that the valuation of all stocks and stores is fairly reflected in the Annual Financial Statement of Accounts.
- iii) Determine minimum standards to be complied with under regulations relating to assets, at paragraphs (a) (b) and (e) below.

Responsibilities of Corporate Directors

5.b) Each relevant Corporate Director is responsible for, ensuring :

- i) That there are effective and efficient procedures for procuring, holding and the issue of stocks and stores, and that such procedures are to the satisfaction of the Section 151 officer.
- ii) That objective statistical methods are used, in accordance with best practice, to determine order quantities and maximum and minimum order levels, and that such methods are to the satisfaction of the Section 151 officer.
- iii) Furnishing the Section 151 Officer with details and a signed certificate of the value of stocks and stores held within their directorates as and when required by the Section 151 Officer
- iv) Arranging for goods to be checked at the time of delivery to ensure that quantity, quality and price comply with the contractual or order specification.
- v) That comprehensive, complete and up to date stores/stock records are maintained and that such records are in a form that is satisfactory to the Section 151 Officer. Where stores / stock recording systems are computerised, they shall interface appropriately with the Council's main Financial Management System and interface controls will be to the minimum standard determined by the Section 151 officer.
- vi) Regular and systematic stocktaking, ensuring that every item is checked at least once annually, and that fast moving, valuable or desirable items are checked more frequently.
- vii) Procedures for the disposal of surplus or obsolete stock are correctly complied with. These are set out under Financial Regulation D.23.

Asset inventories

5.c) Asset inventories shall be held and kept current by Group managers, who will ensure that all areas under their authority have an asset inventory. They shall contain clear descriptions of all fixed and moveable assets having a current value in excess of an amount specified by the Section 151 Officer in the **Schedule of Authorisations, item 7**, other than land and buildings, which are listed in the property terrier, which is kept by the Group manager (Commercial Assets & Property Development) and ICT equipment for which a separate inventory is kept by the responsible Corporate Director.

5.d) Where assets have unique serial numbers, they shall be recorded in the asset inventory.

5.e) The Section 151 Officer is responsible for:

- i) Ensuring that all equipment, furniture, fixtures and fittings, plant, machinery, tools and other valuables are appropriately insured, and that appropriate risk management reviews are undertaken periodically.
- ii) Determining the form for official inventories.
- iii) Determining the basis for valuation of items recorded in asset inventories.

5.f) The Corporate Director with responsibility for ICT Services is responsible for:

- i) The maintenance of a comprehensive Hardware and Software Inventory for all Council ITC equipment held throughout the Council.

5.g) Corporate Directors are responsible for:

- i) Ensuring that each Group Manager compiles and maintains an inventory of assets in the official form (other than land and buildings, and ICT equipment), and that appropriate entries are made at the time of purchase and disposal.
- ii) Arranging for an independent annual inspection of all items on the inventory.
- iii) Informing the Section 151 Officer and if it appears that assets cannot be accounted for.
- iv) Ensuring that all purchases of ICT equipment are made through ICT Services.
- v) Advising the Section 151 Officer of the valuation of inventories for insurance purposes.

Dacorum Borough Council Financial Regulations – Annex E

- vi) Determining the method by which redundant or assets surplus to requirements shall be disposed of. Asset disposals shall be undertaken in accordance with these regulations and in accordance with European Directives on the disposal of electrical and computer equipment.
- vii) Ensuring that all assets are used wholly and exclusively for Council business.

ANNEX F

Disposal of Assets (including Stocks and Stores)

As a public authority the Council should, in the disposal of its landholdings and other assets, always seek to obtain the best price reasonably obtainable, in terms of money or monies worth, unless it is absolved from this duty by statute, regulation or other lawful authority. The following regulations govern the disposal of assets.

Section 1: Land disposals

Regulation D.24

Last updated: May 2014

1.a) For the purposes of the following, "land" includes land of which the Council owns the freehold or leasehold interest and interests such as restrictive covenants of which the Council has the benefit It includes land and buildings, leases, easements and other rights of way.

1.b) Disposals of land shall always be for the best consideration possible, including monetary and other relevant factors. Any authorisations from Government that are required in respect of the need to seek best consideration shall be applied for by the Corporate Director (Finance & Operations).

1.c) All disposals of land shall be authorised by Cabinet on the basis of advice by the Corporate Director (Finance & Operations), and Cabinet shall also approve any nonmonetary aspects of the disposal where they are material to the consideration sought.

1.d) All valuations and negotiations in respect of land disposals must be carried out by or under the supervision of a properly qualified member of the Society of Valuers and Auctioneers or a member of the Royal Institution of Chartered Surveyors, who is not a member of the Council and who is in a position to judge the conditions prevailing in the local property market.

1.e) All valuations will be carried out in a manner that will satisfy external audit requirements, and the advice of the Section 151 Officer will be taken in that respect.

1.f) Negotiations with prospective developers should take place at the Council's offices or the developer's office within normal office hours (subject to the necessity for such negotiations to be extended in exceptional circumstances beyond those hours). Two officers of the Council will be present during negotiations and all such valuations and negotiations shall be subject to written record and approved by the Corporate Director (Finance & Operations), unless delegated . A signed record of all meetings shall be retained.

1.g) The Corporate Director of the appropriate directorate and the Council's duly appointed valuer or other agent shall be involved in or appraised of all major steps in the negotiations in respect of transactions or of a series of transactions, the

Dacorum Borough Council Financial Regulations – Annex F

estimated value or the aggregated value of which exceeds an amount specified by the section 151 Officer in the **Schedule of Authorisations, item 8**.

1.h) It shall be the duty of the Corporate Director (Finance & Operations) to report on the progress of any major transaction authorised by the Council to Cabinet at least at six monthly intervals and upon completion of the transaction. This duty will apply to transactions in respect of which the aggregate consideration is likely to exceed the amount specified in Clause 1.g above and those where there are significant operational implications.

1.i) No land owned or leased by the Council shall be disposed of to another body or person until it has been offered to all other services of the Council, unless in the opinion of the Corporate Management Team such land is of no conceivable value or interest to any of the Council's services. Transfer of land between services requires the approval of:

- i) the Corporate Management Team
- ii) the "transferor" Cabinet Portfolio Member*
- iii) the "transferee" Cabinet Portfolio Member*

*Approval by Cabinet Portfolio Holders in this regard shall be by formal Portfolio Holder decision.

1.j) The Corporate Director (Finance & Operations) shall effect any transfer in the accounts that may be required.

1.k) No land owned by the Council or of which the Council is lessee shall be disposed of except by way of renewal of lease until a report has been prepared by the Corporate Director (Finance & Operations) containing:-

- i) an inspection report describing the land and, where appropriate, its physical characteristics and development constraints.
- ii) a report on title by the Assistant Director (Chief Executive's Dept.).
- iii) any information from the Council's records which would affect the land's value or development potential.
- iv) where appropriate an assessment of the development potential of the land by the Assistant Director (Planning, Development & Regeneration).
- v) any advice by the Corporate Director seeking to dispose of the land.

1.l) In formulating his/her advice, the Corporate Director (Finance & Operations) shall make recommendations in respect of

- i) issues that need to be resolved before marketing of the land can proceed.
- ii) the method of disposal
- iii) the title to be transferred
- iv) the price the Council should receive along with the "asking" and "reserve" price
- v) any special conditions of sale
- vi) any appointment of external advisers or agents that may be desirable.

1.m) All disposals of land owned or leased by the Council shall be by one of the following methods. The Corporate Director (Finance & Operations) shall determine on the basis of appropriate professional advice which method is in the best interests of the Council at any given time.

i) **Private Treaty**

This method may be used where in view of the size, value or location of the land there is only one prospective purchaser with a foreseeable interest in acquiring it. It may also be appropriate where the number of those interested is limited to two or three and the value of the land is low, but in any such case those with a foreseeable interest should be notified of the Council's intention to dispose of the land and any interest in acquiring it should be pursued and assessed.

ii) **Tender**

This method may be appropriate where there are two or more prospective purchasers with a foreseeable interest in acquiring the land. Where the estimated value of the land exceeds a value specified by the Section 151 Officer in the **Schedule of Authorisations, item 9** and more than one prospective purchaser exists, this method should be used in preference to Private Treaty. Advertisements should be placed in the local newspaper and, if appropriate, national newspapers. Tenders should be on the basis of identical terms and conditions of the sale. The tender documentation should make it clear that the Council is not obliged to accept the highest or any tender and in the event of any higher offer being received before a contract is exchanged, the Council may be obliged to consider it. In the event of any such higher offer being received, all interested parties who have submitted a tender must be given the opportunity of making a further or revised offer by a specified date.

iii) **Public Auction**

This method will be used where the value of the land is difficult to ascertain in view of its size, location, development constraints or other factors, and interest in it is unknown. If this method is used, appropriate conditions of sale and any reserve price should be settled and agreed by Cabinet.

iv) **Building Agreements**

Where land is to be disposed of under a building agreement and subsequent lease, developers' proposals should be invited by public advertisement and considered by the appropriate Cabinet Portfolio Member.

1.n) These rules do not apply to a disposal under the "Right to Buy" provisions of the Housing Act 1985, to disposals under any scheme adopted by the Council for the extension of the "Right to Buy", to any disposal which is required either by statute or by a court of law, or to a disposal otherwise than for best price reasonably obtainable under a general or specific consent of the Secretary of State.

Section 2: Equipment disposals

2.a) This Section applies to all plant, equipment and other smaller assets. It includes vehicles, plant, machinery, office equipment (including ICT equipment) etc. It also applies to items of stocks and stores with an individual value of less than an amount specified by the Section 151 officer in the **Schedule of Authorisations, item 10**.

2.b) Save for any ICT equipment, any vehicle or article of equipment, machinery, furniture, etc, which is surplus to the requirements of one of the Council's service units must be valued by or under the instructions of the Group Manager of the service unit which has responsibility for it. The need for accuracy in the valuation will depend largely upon the intrinsic value placed upon the article.

Scrap Items (where the responsible Group Manager is satisfied that there is no economic value in the item for its original or intended use).

2.c) The Group Manager should use his/her best endeavours to obtain best price on the open market.

2.d) If on investigation a better value can be obtained in a trade-in for new equipment than on a sale on the open market, the Group Manager may conduct the disposal on the basis of trade-in.

ICT Equipment

2.e) All ICT equipment for disposal should be passed to the ICT Service.

2.f) The ICT Service should ensure all equipment conforms to licensing and Health and Safety requirements.

2.g) Where possible the ICT Service should re-use the equipment within the Council.

2.h) If the equipment is not required by the Council, it may be given free of charge to voluntary or not-for-profit organisations.

2.i) If the equipment has value, the best price possible to should be obtained.

2.j) The ICT Service is required to schedule and retain documentary evidence of the disposal of ICT equipment for a period, as outlined in then Retention Schedule for documents.

2.k) The Group Manager responsible for the ICT service will ensure that all ICT equipment disposed of has sensitive data or material that would contravene the Data Protection Act or other legislation erased irretrievably and retained in accordance with the Council's document retention strategy.

Other Minor Usable Items (with an intrinsic resale value up to the value specified in clause (a) above.

2.l) The responsible Group Manager should first cause an internal advertisement

for the article to be published amongst all Group Managers with a potential use for the article for Council business.

2.m) Where no service unit Manager requires the article to be disposed of, it may be advertised for sale to Council employees at the price placed upon the article by the responsible Group Manager.

2.n) Where no Group Manager or employee requires the article to be disposed of it may be publicly advertised for sale at the price placed upon the article by the responsible Group Manager; or it may be offered to a voluntary or educational organisation.

2.o) The responsible Group Manager is authorised to dispose by way of trade-in or by way of Private Treaty with a view to obtaining best price or value reasonably obtainable.

Section 3: Major reusable items

3.a) This section applies to assets with an intrinsic resale value in excess of the amount specified under Clause 2.a) above and to stocks and stores with an individual value above this amount.

3.b) Assets within this section should be the subject of public advertisement in local or national newspapers and/or appropriate trade journals and open tendering procedures. Tenders should be on the basis of identical terms and conditions of sale. The tender documentation should stipulate that the Council is not obliged to accept the highest or any tender.

3.c) Alternatively these items may be disposed of by way of public auction, with or without reserve price including via electronic auction on a recognised auction website.

3.d) Alternatively, these items may be disposed of by way of trade-in for new or replacement equipment if this method will achieve better value than the best open market price reasonably achievable.

3.e) Disposals of major reusable items must be authorised by the Cabinet where the disposal may achieve a receipt in excess of an amount above that specified by the Section 151 Officer in the **Schedule of Authorisations, item 11**. The responsible Group Manager must prepare a report containing:

- i) An inspection report describing the equipment and its condition.
- ii) Any information from the Council's records or within the responsible Group Manager's knowledge which would affect the equipment's value.
- iii) Recommendations where appropriate on the following:
 - a.) issues that need to be resolved before marketing of the equipment can proceed
 - b.) the method of disposal

- c.) the price the Council should receive along with the "asking" and any "reserve" price, if the equipment is to be sold by public auction.
- d.) any special conditions of sale
- e.) the appointment of external advisers or agents
- f.) whether negotiations should proceed with a special purchaser.

3.f) These rules shall not apply to disposal by the Council of items by way of sale in the normal course of the Council's business (e.g. food from the food outlets etc).

Section 4: Disposals of other assets

4.a) This Section applies to all other tangible or intangible assets, including but not restricted to stocks and shares, works of art, debts, goodwill and intellectual property such as copyright.

Investments

4.b) The disposal of all investments is delegated to the Section 151 Officer and shall be made in compliance with the best prevailing advice of the Council's appointed advisers, CIPFA or other reputable and authoritative sources such as the Bank of England, Stock Exchange or HM Treasury.

4.c) All procedures relating to the disposal of investments shall be detailed in a Treasury System Document produced by or under the direction of the Section 151 Officer.

Other Intangible Assets

4.d) All 'Other Assets' other than investments (eg debts, patents, trade marks) which are to be disposed of shall be valued by a person who is professionally qualified in the particular field.

4.e) The appropriate Corporate Director will obtain Cabinet authorisation where the value of the asset(s) to be disposed of exceeds an amount specified by the Section 151 Officer in the **Schedule of Authorisations, item 12**. The Cabinet report will include:

- a) a description of the asset
- b) a report on title by the Assistant Director (Chief Executive's Dept.)
- c) any information from the Council's records or within the knowledge of its employees which may affect the asset's value.

4.f) The report to the Cabinet Portfolio Member shall contain recommendations on:

- a) the method of disposal
- b) an estimate of the price which the Council should receive along with the "asking" price and any "reserve" price, if appropriate
- c) any special conditions of sale
- d) the appointment or external advisers or agents
- e) whether negotiations should proceed with a special purchaser.

4.g) The method of disposal of other assets will depend upon the nature of the asset, its intrinsic value and the professional advice of any employee or appointee who is qualified to advise in the particular field.

ANNEX G

Expenditure, Liabilities and Procurement of, Ordering, and Paying for Works, Goods and Services

Section 1: Detailed regulations governing the procurement of, ordering and paying for works, goods and services

Regulation E.2

Last updated: May 2014

1.a) Every officer and member of the authority must comply with the Ethical Code contained in the Council's Procurement Standing Orders (Section 1, paragraphs 5 and 6)

1.b) Official orders must be in a form approved by the Section 151 Officer in conjunction with the Monitoring Officer. Official orders must be issued for all works, goods or services to be supplied to the authority, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Section 151 Officer.

1.c) Each order must conform to approved procurement guidelines and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the Corporate Director (Finance & Operations).

1.d) Apart from petty cash, and other payments from advance accounts, the normal method of payment from the authority shall be by BACS or cheque (or other instrument or approved method), drawn on the Council's approved bank accounts by the Section 151 Officer or a signatory approved by the Section 151 Officer.

1.e) Direct debit facilities shall not be set up other than by the Section 151 Officer and no officer shall commit to payment by that means without the prior agreement of the Section 151 Officer.

1.f) Arrangements for signing and countersigning cheques and other payments will be determined by the Section 151 Officer. Signing and countersigning limits are set out in the **Schedule of Authorisations, item 13**.

1.g) Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of the Council's contracts.

1.h) All goods and services may be ordered only by persons authorised to do so in line with each Corporate Director's scheme of delegation and must be correctly recorded.

1.i) Goods and services received must be checked to ensure that they are in accordance with the order. The person who placed the order should preferably not receive goods.

1.j) Unless specifically agreed with the Section 151 Officer in each instance, advance payment shall not be made for goods or services. The Section 151 Officer may authorise specific categories and/or values of expenditure as standing exceptions to this Regulation, and may amend or delete any such exceptions from time to time. Standing exceptions are recorded in the **Schedule of Authorisations, item 14**.

1.k) Payments shall be made to the correct person, for the correct amount and shall be properly recorded, regardless of the payment method.

1.l) Payments by the Council shall be made only on an official invoice, except for recurring payments, for contract payments and for other exceptions as may be specifically approved by the Section 151 Officer.

1.m) Appropriate evidence of the transaction and payment documents shall be retained and stored for the defined period, in accordance with the Council's document retention schedule.

1.n) Expenditure, including VAT, shall be accurately recorded against the correct budget code.

1.o) Processes shall be put in place, according to the regulations governing responsibilities, to maintain the security and integrity of data for transacting business electronically.

1.p) Invoices shall be settled within the period defined by Government prompt payment requirements. Where invoices are disputed, that fact will be clearly recorded on any invoices together with the date that the dispute was settled before such invoices are passed for payment.

1.q) In the case of significant contracts, a financial vetting procedure shall be used to assess the merits of trading with the prospective (or, where appropriate, existing) supplier.

Section 2: Responsibilities for procurement of, ordering, and paying for works, goods and services

Regulation E.4

Last updated: May 2014

Responsibilities of the Section 151 Officer

2.a) The Section 151 Officer shall:

i) Ensure that sufficient fidelity guarantee insurance is in place to cover those officers authorised to initiate or make payments.

Dacorum Borough Council Financial Regulations – Annex G

- ii) Make payments from the Authority's funds on the authorisation of the appropriate officer that the expenditure has been duly incurred in accordance with financial regulations.
- iii) Subject to the receipt of properly signed-off invoices in good time, arrange payment to suppliers promptly.
- iv) Make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- v) Make payments to contractors on the certificate of the appropriate Corporate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- vi) Determine, in conjunction with the Assistant Director (Chief Executive's Dept.), the form of official orders.
- vii) Agree and determine a scheme for the issue and usage of corporate credit cards where the costs of ordering and procuring is excessive when judged against the value of purchases.
- viii) Approve 'draw-down' arrangements for supplies and provisions covered by annual contracts.
- ix) Maintain a financial vetting procedure for use in selecting and approving prospective (or, where appropriate, existing) suppliers in respect of significant contracts.

Responsibilities of Corporate Directors

2.b) Corporate Directors shall ensure that:

- i) All procurement practices accord with the Council's policies on procurement.
- ii) Relevant officers authorised to sign orders or certify payments do so with a full signature where done manually or under a password-controlled electronic process. Initialled authorisations will be rejected by the Section 151 Officer's Accounts Payable Team.
- iii) Official orders are used for all goods and services, other than for exceptions specified, and that they are used only for goods and services to be consumed by services under the Director's control.
- iv) The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained where required by these regulations and other instructions.
- v) Goods and services are checked on receipt to verify that they are in accordance with the order. A different officer from the person who authorised the order should

Dacorum Borough Council Financial Regulations – Annex G

where possible, carry out this check. Appropriate entries should then be made in inventories or stores records.

vi) Payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment. When an authorised officer certifies an invoice for payment, he/she is confirming:

- (a.) That the official order procedure has been observed and that Standing Orders are complied with.
- (b.) Receipt of goods or services.
- (c.) That the invoice has not previously been paid.
- (d.) That expenditure has been properly incurred and is within budget provision.
- (e.) That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices.
- (f.) That the correct accounting treatment of tax has been followed in line with guidance issued by the Section 151 Officer.
- (g.) That the invoice is correctly allocated to an approved budget code under the director's jurisdiction.
- (h.) That discounts have been taken where available and where it is cost effective for the Council to take them.
- (i.) That appropriate entries have been made in inventories, stores records or stock books and in accounting records.

vii) The principle of division of duties is applied wherever practicable. Different members of staff shall be involved in the ordering, receiving and payment processes. Where practical, a different officer from the person who authorised the order, and in every case, a different officer from the person checking an invoice, should authorise the invoice.

viii) Payments are not made on a photocopied or faxed invoice, statement or document other than the formal invoice.

ix) Invoices are duly and correctly processed in good time to make payment to suppliers within stipulated timeframes.

x) Loans, leasing or rental contracts are not entered into without agreement of the Section 151 Officer.

xi) The Section 151 Officer is notified of outstanding expenditure (formal commitments) relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Section 151 Officer.

xii) With regard to contracts for construction and alterations to buildings and for civil engineering works, that procedures exist to document and agree with the Section 151 Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

xiii) The Section 151 Officer is notified immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

xiv) All appropriate payment records are retained and stored for the period defined by the Council's document retention schedule.

xv) No Group Manager, Assistant Director or Corporate Director shall commit expenditure against any budget head for which he/she is not accountable, without the specific and written authority of the accountable budget holder and in accordance with the virement scheme set out in these regulations.

xvi) Suppliers' invoices are not amended manually.

xvii) The advice of the Section 151 Officer (or an officer to whom responsibility has been delegated) is obtained in respect of prospective (or where appropriate, existing) suppliers where significant contracts are being considered.

Section 3: Responsibilities of Corporate Directors in respect of contracts

Regulations E.5 & E.8

Last updated: May 2014

3.a) All contracts are subject to the provisions contained in the Council's Procurement Standing Orders.

3.b) Corporate Directors shall be responsible for:

i) Maintaining a Contract Register which shall include major contracts (as defined by the Group Manager (Commissioning, Procurement & Compliance) entered into by the Directorate and schedules of payments, retentions, fees and other specific matters relating to each contract let to individual contractors.

ii) Informing the Group Manager (Commissioning, Procurement & Compliance) of all major contracts, and contract extensions entered into.

iv) Advising the Group Manager (Commissioning, Procurement & Compliance) of all relevant contract payments.

v) Making payments to contractors on account only on approved certificates issued by the authorised Managing Officer or Consultant.

vi) Ensuring that any variation order is authorised in writing and can be met within the approved budget.

vii) Where the sum of all variations pertaining to a contract, is likely to result in a cost over-run exceeding a value shown in the **Schedule of Authorisations, item 15**, reporting the potential over-run for approval to both the relevant Portfolio Holder

and the Section 151 Officer prior to payment. Such cost over-runs shall be contained within the Portfolio Holder's overall budget allocation.

viii) Seeking claims for restitution, acceleration of programme or liquidated damages when appropriate.

ix) Ensuring that the release of retention monies and final payments under a contract are not made prior to checks on contractors' final claims being undertaken by a qualified independent officer.

Section 4: Responsibilities for engagement of, and payments to, employees

Regulation E.10.

Last updated: May 2014

Responsibilities of the Section 151 Officer

4.a) The Section 151 is responsible for:

i) Calculation and payment of all staff emoluments and entitlements for current and former employees.

ii) Reconciliation of and reporting on payroll expenditure against approved current budgets and future budget allocations.

iii) Securely retaining payment details, including pension payments history in accordance with the Council's Document retention schedule.

iv) Agreeing, where appropriate an advance of pay, on request of a Director.

v) Ensuring that current HM Revenue and Customs requirements are properly applied and that the correct liabilities are duly accounted for within the statutory periods.

vi) Providing guidance to Corporate Directors with regard to the Council's potential tax and national insurance liabilities.

vii) Ensuring those adequate arrangements exists for administering superannuation matters.

viii) Controlling and paying to third parties sums deducted from pay by Court Order or at the employee's request in a timely manner.

Responsibilities of Corporate Directors

4.b) Corporate Directors shall be responsible for ensuring that:

Dacorum Borough Council Financial Regulations – Annex G

- i) Appointments are made in accordance with the regulations and can be afforded within budgets delegated to them.
- ii) The Section 151 Officer is notified of all appointments, terminations or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Section 151 Officer.
- iii) Adequate and effective systems and procedures are operated, so that:
 - a.) Payments are only authorised to bona fide employees.
 - b.) Payments are only made where there is a valid entitlement, and budget provision exists to fund employment.
 - c.) Conditions and contracts of employment are correctly applied.
 - d.) Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
 - e.) Appropriate time keeping and charging rates are operated, such that Directors are aware of, and may therefore be held accountable for the effective deployment of staff.
- iv) An up-to-date list of the names of officers, authorised to sign records is provided to the Section 151 Officer, or such contractor as may be engaged by him/her together with specimen signatures.
- v) Payment to staff is processed only through the payroll system.
- vi) Careful consideration is given to the employment status of individuals employed on a self-employed consultant or subcontract basis. In cases of doubt, advice should be sought from the Section 151 Officer.
- vii) Travel and subsistence claims and other allowances are appropriately examined and approved. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred. Due consideration should be given to any tax implications affecting claims.
- viii) The Section 151 Officer is notified of the details of any employee benefits in kind, by a date determined by him/her for each year to enable full and complete reporting to HM Revenue and Customs.
- ix) Appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
- x) Statistical returns are accurately completed by the due date.

Travel and subsistence

Dacorum Borough Council Financial Regulations – Annex G

4.c) The Section 151 Officer shall:

- i) Make all payments in respect of travel and subsistence expenses to employees when properly due and authorised by the appropriate Director.
- ii) Determine the specification of all reimbursement forms to be used.
- iii) Ensure that all employees making expenses claims in respect of the use of their private cars on council business have adequate motor insurance in place.

4.d) Corporate Directors shall make arrangements to ensure that:

- i) Claims are properly certified by an officer specifically authorised to do so.
- ii) A current list of authorised officers, with specimen signatures, is provided to the Section 151 Officer.
- iii) The lower of actual costs, or the allowances permitted under the scheme, are certified for payment.

4.e) All employees are responsible for ensuring that expense claims are submitted promptly in accordance with timetable specified by the Payroll Client Officer. Claims must be submitted within one month of the date of the expenditure and within the financial year in which the expenditure was incurred. All claims, including claims for mileage incurred on Council business, must be supported by a VAT receipt where VAT is incurred.

ANNEX H

Partnerships, External Funding and Third Party Contracts

Section 1: Partnerships expectations

Regulation F.2.

Last updated: May 2014

1.a) The Council requires that potential partners are aware of their responsibilities under the Authority's Financial Regulations and the procurement requirements. When partnerships are developed, the partners shall agree on which financial regulations and standing orders shall apply as part of the governance arrangements for the partnership. The following expectations should be adapted and written into governance documents, as appropriate

- i) The agreed set of financial regulations governing this partnership will be those of XXXXX [organisation]

Partners will:

- ii) Support the concept of risk management within the partnership and actively work with the Council to ensure that risk management processes are in place to identify and assess all potential risks.
- iii) Ensure that project appraisal processes are in place to demonstrate the viability of the project in terms of resources, staffing, expertise, and expected outcomes.
- iv) Agree and formally endorse the roles and responsibilities of each of the partners involved in the project before the initiative commences.
- v) Communicate regularly with other partners throughout the initiative so that potential problems are identified, shared and successfully resolved.
- vi) Openly and explicitly share a vision of collective and individual expectations.
- vii) Demonstrate an ability and willingness to add real value to any relationship.
- viii) Be open and honest about any conflicts of interest that might arise, and demonstrate a willingness to agree mechanisms to resolve these from the outset.
- ix) Demonstrate a willingness to take on a role in the broader programme appropriate to the skills and resources of the partnering organisations.
- x) Act in good faith at all times and in the best interests of the partnership's aims and objectives.

- xi) Will be comfortable with, support, and comply with the principles of “open-book accounting”.
- xii) Hold as confidential any information received as a result of partnership activities or duties that is of a sensitive or confidential nature.
- xiii) Act as champions and ambassadors for the project.

Section 2: Responsibilities in respect of partnerships, external funding and third party contracts

Regulations F.4 & F.6

Last updated: September 2011

2.a) Cabinet is responsible for approving the contractual arrangements for any work proposed to be undertaken for external bodies.

Responsibilities of the Monitoring officer

2.b) The Monitoring Officer is responsible for:

- (i) Ensuring that governance and standards of conduct arrangements to be adopted by partnerships and joint ventures are no less stringent than apply to the Council.
- (ii) Ensuring that partnership contractual documentation requires any partner(s) to comply with the agreed Financial Regulations and Procurement Rules unless Council determines otherwise.

Responsibilities of the Section 151 Officer

2.c) The Section 151 Officer is responsible for:

- (i) Ensuring that accounting, audit, control, governance, and risk management arrangements to be adopted by partnerships and joint ventures are no less stringent than apply to the Council.
- (ii) Ensuring that partnership contractual documentation requires the Partner to comply with the agreed Financial Regulations, to the satisfaction of the Monitoring Officer.
- (iii) Providing advice on the key funding elements of any project, including:
 - Appraisal of financial viability for the current and future years.
 - Risk appraisal and management.
 - Resourcing, including taxation issues.
 - Audit, security and control requirements.
 - Budget ‘carry-forward’ arrangements.

- (iv) Issuing guidance with regard to the financial aspects of third party contracts.
- (v) Ensuring that the Council's accounting and costing conventions identify the fair cost of trading and working for third parties.
- (vi) Maintaining a financial vetting procedure for use in selecting and approving prospective (or, where appropriate, existing) partners in respect of significant contracts.

Responsibilities of Corporate Directors

2.d) Corporate Directors are responsible for:

- (i) Ensuring that appropriate approvals are obtained before any negotiations are concluded.
- (ii) Maintaining a register of all contracts entered into with external bodies in accordance with procedures specified by the Monitoring Officer and Section 151 Officer.
- (iii) Ensuring that, before entering into agreements with external bodies, a comprehensive risk assessment has been carried out, a risk register drawn up, and appropriate mitigation action taken.
- (iv) Ensuring that such agreements and arrangements do not impact adversely upon the services provided by the Council or other services provided to the Council.
- (v) Ensuring that all agreements, arrangements and contracts are properly documented.
- (vi) Ensuring that partnership contractual documentation requires the Partner to comply with the agreed Financial Regulations, to the satisfaction of the Monitoring Officer.
- (vii) Providing information to the Section 151 Officer as may be required by him/her to enable a note to be entered into the authority's statement of accounts
- (viii) Ensuring that all claims for external funds are made by the due date.
- (ix) Ensuring that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.
- (x) Informing, where the project is potentially deviating significantly from the plan, his/her Portfolio Holder and the Section 151 Officer as soon as this becomes apparent.

Dacorum Borough Council Financial Regulations – Annex H

- (xi) Ensuring that records are kept of resource usage and/or service delivery that accord with the requirements of the external funding source.
- (xii) Ensuring that all requirements and stipulations relating to the payment of external funding and the auditing thereof, are understood and acted upon.
- (xiii) Putting appropriate insurances in place through the Section 151 Officer for all dealings with third parties and external partners.
- (xiv) Ensuring, as far as reasonably possible, that the external contracts and partnerships for which they are responsible do not put the Council at risk from bad debts.
- (xv) Ensuring that no contract entered into with third parties is subsidised by the Council either directly or indirectly.
- (xvi) Seeking, wherever possible, payment in advance of the delivery of the service.
- (xvii) Ensuring that the Division/unit has the appropriate expertise to undertake the contract or to manage the contract in a client capacity.
- (xix) Seeking the advice of the S151 Officer (or an officer to whom responsibility has been delegated) is obtained in respect of prospective (or, where appropriate, existing) partners where significant contracts are being considered.

DACORUM BOROUGH COUNCIL - FINANCIAL REGULATIONS

SCHEDULE OF AUTHORISATIONS

Item 1. Virement policy – hierarchy of authorisations

Annex B, clause 3.e)

Last updated: May 2014

| Type | Applies to transfers between | Sanctioning Authority |
|------|--|--------------------------------|
| 1 | Between Cabinet Portfolios | Cabinet |
| 2 | Between Services within a Portfolio | Director and Portfolio Holder* |
| 3 | Between CIPFA Subjective headings within the same Service | Director and Group Manager |
| 4 | Between budgets both within the same Service and the same CIPFA Subjective heading | Director and Group Manager |
| 5 | For items 2, 3 and 4 above where the amount to be vired is at least <ul style="list-style-type: none">• £50,000 And <ul style="list-style-type: none">• 10% of the transferring budget | Cabinet |

All proposed virements shall be subject to review and comment by the Section 151 Officer. He/she shall determine whether the proposal should be subject to the positive endorsement of a higher authority.

*“Portfolio Holder” means a formal Portfolio Holder decision.

Item 2. Limits on cash holdings

Annex C, clause 1.i)

Last updated: May 2014

Maximum limits for cash holdings, in whatever receptacle, shall be agreed with the Section 151 Officer, and shall not be exceeded without his/her express permission and with regard to the appropriate insurance limit. Cash received in total in excess of this amount must be banked within 24 hours. The current limit is:

£500

Dacorum Borough Council Financial Regulations – Annex H

Item 3. Changes to Structure - hierarchy of authorisations

Annex C, clause 2.g)

Last updated: May 2014

Where the net effect of any changes is no increase in cost for the current, or a full year, changes may be made to the official structure in accordance with the following hierarchy of authorities. Where a change to the official structure results in an increased net cost, it shall be allowed only on the authority of Cabinet.

| Type | Applies to Changes where one or more changes impacts as follows | Sanctioning Authority |
|------|---|-------------------------------|
| 1 | Between General Fund and HRA Services | Council |
| 2 | Between Cabinet Portfolios | Cabinet |
| 3 | Between Services within a Portfolio | Director and Portfolio Holder |
| 4 | Between budgets, activities and project provision being the responsibility of an individual Group Manager | Director and Group Manager |

All proposed changes to the official establishment shall be subject to review and comment by the Section 151 Officer. He/she shall determine whether the proposal should be subject to the positive endorsement of a higher authority.

In considering the matter, the Section 151 Officer shall satisfy him/herself that all proposed changes will be correctly recorded on the corporate employee database and that all necessary budgetary virements have also been identified and will be implemented.

Item 4. Petty Cash, Change Floats, and Credit Card Purchases - Value of cash reimbursements for minor purchases

Annex E, clause 3.e)

Last updated: May 2014

The value of cash reimbursements shall not exceed:

£50.00

Dacorum Borough Council Financial Regulations – Annex H

Item 5. Debt write-offs - Hierarchy of authorisations

Annex E, clause 4.f)

Last updated: May 2014

| Individual value (per debtor) | Authorised by: | Conditions |
|---|--|--|
| Up to £20,000 | Section 151 officer in consultation with the appropriate Corporate Director | |
| Above £20,000 | Portfolio Holder (Finance & Resources) on the advice of the Section 151 Officer and Corporate Director | Applicable in situations where a referral to Cabinet (see below) is not necessary |
| Above £20,000 | Cabinet on the advice of the Section 151 Officer and Corporate Director | Where the write off, if approved, would, in the opinion of the Section 151 Officer, have budgetary implications for the relevant service |
| Any value, where the amount written off will cause the Council's General Fund or Housing Revenue Account to fall into deficit | Council on the advice of the Section 151 Officer | |

Item 6. Debt write-off recovery threshold

Annex E, clause 4.j)

Last updated: May 2014

The de-minimis level for debt recovery action and review is determined by the Section 151 Officer and shall be as follows:

£50

Item 7. De minimis amount for asset registers

Annex E, clause 5.c)

Last updated: May 2014

Asset inventories shall be held and kept current by Group Managers, who will ensure that all areas under their authority have an asset inventory. They shall contain clear descriptions of all fixed and moveable assets, other than land and

Dacorum Borough Council Financial Regulations – Annex H

buildings, having a current value in excess of an amount specified by the Section 151 Officer. This amount is:

£500

Land and buildings are listed in the Asset Management System (see Regulation.C6), and ICT equipment is listed in a separate inventory kept by the relevant Corporate Director.

Item 8. Transaction authority level for asset disposals

Annex F, clause 1.g)

Last updated: May 2014

The Corporate Director of the appropriate directorate and the Council's duly appointed valuer or other agent shall be involved in or appraised of all major steps in the negotiations in respect of transactions or of a series of transactions, the estimated value or the aggregated value of which exceeds the following amount:

£100,000

Item 9. Disposal by tender

Annex F, clause 1.m), ii)

Last updated: May 2014

Disposal by tender may be appropriate where there are two or more prospective purchasers with a foreseeable interest in acquiring the land. This method should be used in preference to Private Treaty where:

- i) more than one prospective purchaser exists, and
- ii) the estimated value of the land exceeds the following amount:

£25,000

Item 10. Disposal of equipment

Annex F, clause 2.a)

Last updated: May 2014

The regulations relating to disposals within Section 2 of this annex apply to all assets specified in clause 2.a) with a value up to:

£5,000

Item 11. Major reusable items

Annex F, clause (3.e)

Last updated: May 2014

Disposals of major reusable items must be authorised by the Cabinet where the disposal may achieve a receipt in excess of the following amount:

£10,000

Item 12. Disposals of other intangible assets

Annex F, clause 4.e)

Last updated: May 2014

The appropriate Corporate Director will obtain Cabinet authorisation for the disposal of other intangible assets where the value of the asset(s) to be disposed of exceeds the following amount:

£10,000,

Item 13. Hierarchy of authorisations for cheque and electronic payments

Annex G, clause 1.f)

Last updated: May 2014

Payment by cheque (or any electronic payment) by an amount to be determined by the Section 151 Officer shall be signed by one of those approved to do so by the Section 151 Officer. One authorised officer shall countersign cheques (or any electronic payment) over a value to be determined by the section 151 officer. The values so determined are as follows:

| Value | Authorising signatories |
|---------------|---|
| Up to £40,000 | Any one authorised officer (electronic or manual signature) |
| Above £40,000 | Any two authorised officers (manual signatures only) |

Item 14. Exceptions to advance payments regulations

Annex G, clause 1.j)

Last updated: May 2014

Advance payment shall not be made for goods or services. The Section 151 Officer may authorise specific categories and/or values of expenditure as standing exceptions to this Regulation, and may amend or delete any such exceptions from time to time. Standing exceptions currently in place are as follows:

Software Support and Maintenance
Software Licences
Artists/Performer Fees

Dacorum Borough Council Financial Regulations – Annex H

Item 15. Value of cost-overruns to be reported

Annex G, clause 3.b) vii)

Last updated: May 2014

Where the sum of all variations pertaining to a contract, is likely to result in a cost over-run exceeding the value shown below, The relevant Group Manager shall report the potential over-run for approval to both the relevant Portfolio Holder and the Section 151 Officer prior to payment:

| Value of scheme | Over-run limit |
|------------------------|------------------------|
| Up to £100,000 | £5,000 |
| Above £100,000 | 10% of value of scheme |