

## FINANCIAL REGULATIONS 2014

## Summary of Main Changes:

Page number and reference	New entry	Previous entry or clarification of amendment
P5, 4 & 5	Sections removed as this is dealt with in the Constitution	Summary description of the roles of Council and Cabinet
P9, 8.4.4	Under or overspends on any separate line entry in the Council's approved budget book which exceed that budget by at <u>least £10,000, or 5% of annual budget, which ever is the smaller</u> , must be recorded by Accountancy Services with explanations for the variance. <u>Arbitrary sub-divisions of budgets in order to minimise individual variances will not be allowed</u> . These under or overspends must be analysed on at least a quarterly basis, in discussion with service managers, <u>and may be addressed by virements within delegated authority limits (see 8.6)</u> .	Addition of underlined text. Previously "exceed budget by at least £5,000"
P10, 8.5.6	If an urgent or unanticipated capital need arises, the proposal must be referred to the Cabinet at the earliest opportunity, <u>although noting that in-year changes to the Council's Capital Programme, up to a limit of £100,000 per project, may be approved by the Portfolio Holder for Finance &amp; IT</u> .	Addition of underlined text, confirming the delegation to Portfolio Holder as per the Constitution.
P10, 8.5.10	The taking or granting of a lease on any asset, classed as a capital item, may form part of the Council's capital expenditure or receipts and must, therefore, be provided for. The taking or granting of a lease on any asset will be subject to the approval of the Strategic Director of Finance, Policy and Governance. <u>Negotiations regarding land and property leases are to be conducted by the Estates team</u> .	Addition of underlined text
P11, 8.6.2.1 final bullet point	The financial authorisation limits within which virements can be actioned are limited to the specific budgets, and budgetary authority of the Budget Manager(s) signing the virement request.	addition
P11, 8.6.3, a)	All virements are subject to a de-minimis of £100. Below this value it is considered sufficient for budget holders to ensure they remain within their overall budget, even though there may be minor variances on individual budget lines.	addition
P11, 8.6.3, b)	All repairs & maintenance budget expenditure should either be managed by Property Services or agreed with Property Services.	addition

P16, 11.1.4	The ability to utilise Purchase Cards for low value purchases should be noted, as outlined in Section 3 – Ordering and paying for Works, Goods & Services (3.6.35 onwards).	addition
P17, 11.3.2	Where completion of a contract may be delayed beyond the period of the contract, it is the duty of the Strategic Director concerned to <u>identify this in advance of the contract end date and to seek advice and agreement on the route forward in accordance with the Contract Procurement Rules (Rule 27: Extensions).</u> The agreed action taken must be reported to the Cabinet.	Where completion of a contract may be delayed beyond the period of the contract, it is the duty of the Strategic Director concerned to take <u>appropriate remedial action.</u> <u>After consultation with the Strategic Director of Finance, Policy &amp; Governance and the Corporate Legal Manager,</u> the agreed action taken must be reported to the Cabinet.
P17, 11.4.1	The Strategic Director of Finance, Policy and Governance will maintain a contract register for all contracts <u>over £5,000</u>	Previously over £10,000. Changed to comply with Transparency Agenda requirements.
P26, 6.5.2.1, fifth bullet point	proposals for improvements and alterations to <u>any asset</u> must be <u>with the prior agreement of</u> the Head of Finance, Performance and Asset Management and Senior Management Team	proposals for improvements and alterations to <u>buildings</u> must be <u>approved by</u> the Head of Finance, Performance and Asset Management and Senior Management Team
P27, 6.5.3.3	To obtain authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the capital programme provision by more than 20% <u>up to a scheme value of £250,000; or adds more than 10% to the scheme value above £250,000 (subject to de-minimis of £50,000); or increases the scheme value from below £60,000 to £72,000 or more. Where these amendments arise from contract variations when alternative budget funding was available then the report may be informing Cabinet with regard to Portfolio holder authorised variations, or may be seeking Cabinet approval where additional budget is necessary.</u>	Addition of underlined text. This addition seeks to be consistent with Contract Procurement rules (26.7) which are in respect of variations to contract.

P31, 4.1.2	Insurance cover is one element of the Council's risk management approach <u>and advice should be sought from the Performance &amp; Risk Manager on all insurance matters in advance of entering into any arrangement where insurance is required.</u>	Addition of underlined text
P46, 2.2.1, 4 <sup>th</sup> bullet point	Invoices should not be raised after income has been received. A tax receipt can be sent, if requested by the customer.	addition
P46, 2.2.1, 7 <sup>th</sup> bullet point	Cash transfers of sales ledger income should be actioned by Cashiers to allocate the income to the sales ledger invoice, rather than raising a credit note to cancel;	
P47, 2.3.2	Fix value limits below which a sundry debtor account cannot be raised and recommend an alternative collection method. The preferred options are Debit or Credit card payments, although cheques are also acceptable. Service areas are also encouraged to obtain payment in advance wherever possible. Any dispensations to this limit shall be authorised by the Strategic Director of Finance, Policy and Governance. The limit set is <u>£50 (previous level, since 2008, was £30).</u>	Underlined text
P47, 2.4.3	To approve all debts to be written off <u>from £500 (see note)</u> up to £5,000 in consultation with the relevant Head of Service/Corporate Manager; approve all debts between £5,001 and £10,000 in conjunction with the approval of the Finance & IT Portfolio holder and keep a record of all sums written off and to adhere to the requirements of the Accounts and Audit (Amendment) (England) Regulations 2009. Write off of debts over £10,000 require Cabinet approval. <b>Note:</b> <u>write offs up to £500 can be approved by the budget holder in consultation with the relevant Head of Service/Corporate Manager</u>	Addition of underlined text.
P48, 2.5.1	To seek to collect income in advance of service provision or, if not possible, to raise debts promptly and accurately.	addition

<p>P57, 3.6.35 to 37</p>	<p>Purchase Cards: Payment will normally be made by means of BACs or cheque. Purchase cards will be authorised for certain officers, <u>with an individual transaction threshold specific to the card holder. Purchase cards are generally suitable for low value transactions enabling us to shorten the purchase to pay cycle and reduce processing costs, noting also that purchase orders are not required for purchase card transactions. Where Corporate contracts exist, Purchase cards should not be used to access alternative suppliers.</u></p> <p><u>Purchase card transactions must be reviewed by the cardholder within five working days, and receipts uploaded using the online Purchase Card system SDOL. Electronic approval of transactions must be carried out by an authorised officer within five working days and must only be completed once receipts have been viewed.</u> All purchase card arrangements and their issue are permitted only on the approval of the Strategic Director of Finance, Policy and Governance.</p> <p>The use of purchase cards for relatively low value and routine transactions will contribute to overall efficiencies. The increased use of procurement cards will be supported by sample checking of transaction logs.</p>	<p>Addition of underlined text</p>
<p>P67, 1.1</p>	<p>Any partnership arrangement entered into, <u>whether with a commercial or community organisation, (and whether services are provided to or by the Council)</u> must be fully appraised to assess the viability of the project in terms of resources, staffing, expertise and risk to the Council.</p>	<p>Addition of underlined text</p>
<p>P67, 1.11</p>	<p>The Strategic Director of Finance, Policy and Governance shall issue guidance as required to ensure the proper control of work on behalf of third parties, <u>or in progressing alternative ways of working including commercialisation opportunities,</u> and to ensure the Council is not placed at <u>undue risk.</u></p>	<p>Addition of underlined text</p>