

# **BELFAST CITY COUNCIL**

**2015**



## **Financial Regulations**

**March 2015**

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## A General

- A.1 To conduct its business efficiently, Belfast City Council needs to ensure that it has sound financial management in place and that roles and responsibilities are formally defined, documented and adhered to. This process is aided by the production of four key documents:
- The Financial Regulations;
  - The Standing Orders;
  - The Scheme of Delegation; and
  - [The Accounting Manual](#).
- A.2 The Financial Regulations must comply with the Local Government Finance Act (Northern Ireland) 2011. They set out the overarching financial responsibilities of the Council and its staff and provide the framework within which the Council's financial affairs are to be managed. The Financial Regulations reflect best practice and provide a practical source of advice to assist all Officers in the discharge of their duties.
- A.3 Departments within the Council should link the Financial Regulations with other internal regulatory frameworks which form part of the Council's Constitution. The Financial Regulations are supplemented by more detailed financial procedures included within the Standing Orders and the Accounting Manual.
- A.4 The Financial Regulations provide clarity about the accountability of key individuals and groups including the Chief Executive, the Director of Finance & Resources, Chief Officers and Committees.
- A.5 The Director of Finance & Resources will notify Chief Officers of additional regulations and amendments to existing regulations following approval by the Strategic Policy and Resources Committee.
- A.6 The Strategic Policy and Resources Committee must approve any variation to or waiver of the application of these regulations.
- A.7 The Director of Finance & Resources may expand on these regulations, where necessary, by issuing instructions, guidance notes, circulars etc.
- A.8 The Director of Finance & Resources is for the purpose of Section 1 of the Local Government Finance Act (Northern Ireland) 2011 the designated Officer responsible for the proper administration of the Council's financial affairs. The Director of Finance & Resources may, subject to Standing Orders and any resolutions of the Strategic Policy and Resources Committee or the Council, do all things necessary to secure the proper administration of the Council's financial affairs.

- A.9 Each Chief Officer shall consult the Director of Finance & Resources concerning any matter within his/her area of responsibility which is likely to have a material impact on the finances of the Council before either incurring any commitment or liability, whether provisional or otherwise, or by reporting the matter to a committee.

## **B Responsibilities for the Operation of Accounting Systems**

- B.1 The Council will properly account for all financial transactions and maintain its accounts in agreement with statutory requirements and professional standards as prescribed by the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom.
- B.2 The Director of Finance & Resources shall decide on all the accounting procedures and records that Council should adopt in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, consulting with other Chief Officers as appropriate.
- B.3 The Council has a statutory responsibility to prepare its accounts to present a true and fair view of the financial performance and results of its activities during the year and is responsible for approving and publishing those annual statements in accordance with the timetable specified in the Accounts and Audit Regulations (Northern Ireland) 2006.
- B.4 The Director of Finance & Resources is responsible for ensuring that the Council prepares the annual statement of accounts in compliance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, The Department of the Environment (DOE) Accounts Direction and other relevant accounting standards and statutory provisions.
- B.5 Before a Council Department or service implements any new or amended financial system, it must agree this with the Director of Finance & Resources. Where it proposes to change staffing and organisational arrangements, then if these changes relate to accounting systems and procedures it must also consult the Director of Finance & Resources before it implements these changes. Where a change constitutes an introduction of new or adaptation of existing information technology, the Chief Officer must seek prior approval from the Head of Digital Services.
- B.6 Each Chief Officer is responsible for maintaining accounting procedures and records properly within his/her Department, ensuring an appropriate audit trail exists. He/she must also establish proper security and confidentiality over these procedures and records and in doing so must comply with the requirements of the Data Protection Act 1998.
- B.7 If the Director of Finance & Resources asks them to do so, then a Chief Officer must designate a senior post-holder in his/her Department to be responsible for overseeing the conduct of the financial and accounting work within that Department. He/she must also invite the Director of Finance & Resources to nominate a representative to

participate in any aspect of the selection process when he/she plans to fill these posts.

## **C Internal Audit**

C.1 The Local Government (Accounts and Audit) Regulations (NI) 2006 place a requirement on Local Government Bodies to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. The Council is committed to the provision of an effective, independent and continuous internal audit service, operating under the control and direction of the Head of Audit, Governance and Risk Services and his/her staff. The Service operates to mandatory professional standards for internal audit.

### **Definition and Purpose**

C.2 Audit, Governance and Risk Services (AGRS) is an independent, objective assurance and consulting function established by the Council. Its purpose is to review and report on the Council's internal control, risk management, governance and assurance processes. It operates as a service to the Corporate Management Team, the Assurance Board and the Strategic Policy and Resources Committee through the Audit Panel. It is designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### **Authority and Access Rights**

C.3 The Local Government (Accounts and Audit) Regulations (NI) 2006 states that "any Officer or Member of a Local Government Body shall, if the body requires:

- make available any such documents of the body which relate to its accounting and other records, as appear to that body to be necessary for the purposes of the audit; and
- supply the body with such information and explanations as the body considers necessary for that purpose."

C.4 The practical application of this is that all Officers and Members are expected to co-operate fully with AGRS reviews.

C.3 The Head of AGRS or his / her representatives shall have the authority to:

- undertake a broad and comprehensive strategic plan of work and other investigations;
- report upon and make recommendations for improvement in the systems/activities subject to review;

- have access at all reasonable times to any Council premises and land;
- have access to all data, records, computer systems, documents and correspondence relating to any financial or other activity of the Council deemed appropriate;
- require from any Officer or Member such information and explanation as thought necessary for the purposes of an audit or investigation;
- require any Officer of the Council to produce, for inspection, cash, stores or any other Council property under his / her control;
- have access to partner organisations, such as Council sponsored companies, in accordance with the relevant legal agreements which set out the access rights of Belfast City Council and its Officers; and
- have access to all Council furniture and contents, including desks and computers when there is reasonable suspicion of a dishonest or fraudulent activity which makes such inspection appropriate. There is no presumption of privacy.

C.4 In addition the Head of AGRS shall have free and unfettered access, as required, to the Chief Executive and the Chair of the Audit Panel.

## **Responsibilities of AGRS**

C.7 The primary responsibility of AGRS is to provide a professional opinion to the Assurance Board and Audit Panel on the contribution of control, risk management and governance processes to the achievement of the Council's corporate objectives. AGRS responsibilities include, but are not limited to:

- examining and evaluating the Council's system of risk management and internal controls;
- reviewing the systems established to ensure compliance with policies, plans, procedures and regulations which could have a significant impact on operations;
- reviewing the means of safeguarding assets;
- conducting investigations at the request of the Council's Chief Executive, Director of Finance & Resources and Defalcation Panel;
- providing guidance to the Audit Panel, Assurance Board and senior management on corporate governance issues and developments;
- providing assistance and guidance to management on control issues and risk through audit, risk management and advisory work; and
- assisting in the development of Council policies and procedures.



- C.8 It is important to note that AGRS is a service function and has no line responsibility for any of the activities it reviews. It is management's responsibility to determine how it manages its risks and the extent of internal control in the Council's systems, which should not depend upon AGRS activity as a substitute for effective controls.
- C.9 The Head of AGRS is responsible for ensuring that the Service complies with professional standards including appropriate arrangements for avoiding conflicts of interest when undertaking non-audit work and ensuring that he / she develops and maintains a quality assurance programme, incorporating internal and external assessments of work carried out.
- C.10 AGRS work covers the Council's entire system of internal control, including financial, operational and computerised systems. The Head of AGRS will arrange for an assessment of the audit needs of the organisation to be periodically undertaken. This assessment involves the identification and prioritisation of Council risks, systems and functions. Where appropriate, this will incorporate assurance work at third party organisations. From this assessment a risk-based plan of audit work is determined, detailing the planned assurance and consultancy assignments for the year ahead and how internal audit resource requirements have been assessed. This Plan will be agreed with the Audit Panel and Assurance Board.

## Reporting

- C.11 AGRS is managed by the Head of AGRS who reports to the Director of Finance & Resources. The Head of AGRS also has the authority to report directly to the Chief Executive and the Audit Panel whenever necessary.
- C.12 Audit assignment reports are issued to the Director of Finance & Resources, and other relevant Directors and Heads of Service. Where necessary, the Head of AGRS may at his / her discretion also issue audit reports to other Members of staff. A summary of each completed report is provided to Assurance Board and the Audit Panel, which is attended by the Northern Ireland Audit Office (NIAO). Full copies of finalised audit reports will also be made available to the Northern Ireland Audit Office (NIAO) upon request.
- C.13 The Head of AGRS also provides an annual report to the Assurance Board and Audit Panel incorporating:
- his/her overall opinion on the Council's framework of governance, risk management and control;
  - a summary of the work that has been completed to support this opinion; and
  - a statement of conformance with Public Sector Internal Audit Standards.



## **Audit Panel**

- C.14 The Audit Panel is a Members' Working Group. It reports to the Council's Strategic Policy and Resources Committee. It is comprised of Elected Members and an independent Member. It is attended by the Director of Finance and Resources and the Head of AGRS. It meets at least four times per year and has the authority to require the attendance of any Officer of the Council.
- C.15 The primary role of the Audit Panel is to monitor the risk, control and governance processes of the Council and the associated assurance processes. The Panel approves the overall audit strategy and annual plan and the Head of AGRS' annual assurance statement on the Council's control environment.

## **Assurance Board**

- C.16 The Assurance Board comprises the Chief Executive (Chair), Director of Finance & Resources and the Town Solicitor. The Head of AGRS attends Board meetings. The Assurance Board provides top level management commitment within the Council to its obligations for audit and supports the independence of the Audit Section within the Council. It will meet a minimum of 4 times a year. The meetings provide an opportunity for the Chief Executive, Chief Financial Officer and Chief Legal Advisor to the Council to be assured that the financial and other governance of the Council is being discharged to the highest standard.
- C.17 The Board will review the Audit Strategy and Plan and monitor the delivery of the Audit Service. It will consider the Head of Audit, Governance and Risk Service's annual assurance statement and will also review the adequacy of management responses to issues identified by audit activity. The Assurance Board may request any Officer to attend meetings of the Board.

## **External Audit**

- C.18 The NIAO is the Council's external auditor. The main objective of the external auditor is to certify the financial statements of the Council. In reaching a position where it can certify the financial statements, the NIAO may place reliance on the work of AGRS. The degree of reliance is a matter for the NIAO. AGRS and the NIAO will co-ordinate their work plans and programmes to eliminate unnecessary duplication of effort having regard to their differing roles and responsibilities.

## **D Fraud**

- D.1 Where any irregularity is known or suspected regarding any matter of a financial or potentially financial nature affecting the Council, staff should follow the guidelines in the Council's [Policy Statement on Fraud and Corruption](#), which sets out the detailed arrangements for reporting suspected fraud and the Council's fraud response plan.

### **Roles and Responsibilities**

- D.2 It is a management responsibility to maintain the internal control system and to ensure that resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud and illegal acts.
- D.3 AGRS however will have regard to the possibility of malpractice and will seek to identify serious defects in internal control which might permit the occurrence of such an event.
- D.4 An internal auditor or any other staff Member who discovers evidence of or suspects malpractice should report firm evidence or reasonable suspicions to the Head of AGRS. Thereafter the matter will be investigated in accordance with the provisions of the Council's fraud policy and response plan.

### **Code of Conduct**

- D.5 Standards of conduct for Officers are set out in the [Code of Conduct for Staff](#).
- D.6 Standards of conduct for Elected Members are set out in the Code of Conduct for Members.
- D.7 The Code of Conduct for Staff and the Code of Conduct for Members outlines their responsibilities in relation to:
- declaration/conflict of interest;
  - political neutrality;
  - personal interests;
  - equality issues;
  - corruption;
  - use of financial resources; and
  - gifts and hospitality.

## Whistleblowing Policy

D.8 The Council is committed to the highest possible standards of openness, probity and accountability. In line with this commitment, the Council has developed a [Whistleblowing Policy](#), which is on the Council's intranet site. The Council expects employees and others it deals with who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. The Whistleblowing Policy makes it clear that this can be done without fear of victimisation, subsequent discrimination or disadvantage.

## **E Risk Management**

- E.1 The Local Government (Accounts and Audit) Regulations (NI) 2006 place a requirement on Local Government Bodies to maintain a sound system for internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.
- E.2 Risk is any event or occurrence that may have an impact on the achievement of the Council's objectives. The aim of risk management is to manage risks to an acceptable level so that the Council is in a stronger position to deliver its objectives.
- E.3 It is the responsibility of the Director of Finance & Resources to:
- ensure that the Council has an appropriate risk management strategy in place; and
  - ensure that arrangements are in place for monitoring the Council's compliance with the [Risk Management Strategy](#).
- E.4 The Council's Risk Management Strategy outlines the Council's approach to risk management. It is the responsibility of Managers to:
- manage risks in line with the Council's Risk Management Strategy; and
  - to ensure that there are adequate and effective controls in place to manage the risks and that further action is taken where necessary to better manage the risks. Departmental Risk Champions support Managers in the quarterly risk review and update process.
- E.5 AGRS supports Managers and Department Risk Champions through providing guidance and facilitating risk workshops / risk reviews. In addition, AGRS has a corporate role in supporting the process which includes:
- co-ordination of the update of the corporate risk register;
  - co-ordination of the quarterly and annual Assurance Statements;
  - quarterly Risk management reporting;
  - supporting the Director of Finance & Resources in the preparation of the Annual Governance Statement; and
  - maintenance of the Risk Management Strategy.
- Support provided by AGRS to the risk management process as outlined above does not detract from the overarching responsibility of Managers to manage risk.
- E.6 The Local Government (Accounts and Audit) Regulations (NI) 2006 place a requirement on the Council to produce a statement on internal control. This

statement is known as the 'annual governance statement'. It is produced as part of the Council's financial statements and is subject to review by the Council's external auditors. As part of producing this statement, Chief Officers and Senior Managers within the Council are required to produce individual, signed annual assurance statements, setting out the risk control framework in place for their area of responsibility and disclosing any significant governance issues and the action planned to address them.

## **F Financial Planning**

### **Revenue Budget Preparation**

- F.1 The Strategic Policy and Resources Committee must submit budgetary estimates for the forthcoming financial year to the Council for approval before the statutory deadline of the 15<sup>th</sup> February annually for fixing the district rate.
- F.2 Chief Officers must prepare a detailed budget of revenue expenditure and income in respect of their Departmental responsibilities for the forthcoming year in accordance with the corporate financial guidance issued by the Director of Finance & Resources.
- F.3 Each Chief Officer must agree his/her draft budget with the Director of Finance & Resources before the Corporate Management Team meets to discuss the draft estimates that will be presented to the Strategic Policy and Resources Committee.
- F.4 The Director of Finance & Resources in conjunction with the appropriate Chief Officer will present to the relevant Committees the draft estimates together with such statements, reports, and recommendations as each committee requires.
- F.5 The Director of Finance & Resources in conjunction with the Chief Executive and the Corporate Management Team must present to the Strategic Policy and Resources Committee:
- estimates of revenue expenditure and income for the next financial year;
  - a statement of the revised estimate for the current year compared with the proposed estimates;
  - the estimated de-rating grant for the next financial year, with comparison to the revised estimate for the current year;
  - the estimated contribution from reserves for the next financial year, with comparison to the revised estimate for the current year;
  - the estimated penny product, non-domestic rate, domestic rate and conversion factor for the next financial year, with a comparison to the revised estimate for the current year;
  - a report on the adequacy of the proposed level of reserves as prescribed by the Local Government Finance Act (NI) 2011; and
  - a report on the robustness of the estimates as prescribed by the Local Government Finance Act (NI) 2011.
- F.6 These estimates and statements must be:



- in agreement with the corporate financial guidance approved by the Council; and
  - consistent with the corporate plan, relating the proposed use of resources to the Council's policies and objectives.
- F.7 When presented with the draft estimates, the Strategic Policy and Resources Committee must consider:
- the financial implications of the estimates; and
  - whether the estimates adhere to approved policies.
- F.8 After considering the financial and policy implications of the draft estimates the Strategic Policy and Resources Committee will:
- fix the cash limits for the various committees of the Council;
  - approve the estimates for the Strategic Policy and Resources Committee for the next financial year; and
  - set the non-domestic and domestic district rate for the next financial year.
- F.9 At the time when it formulates its revenue estimates, each Committee shall review the levels of all fees and charges under its control, following the guidelines issued by the Strategic Policy and Resources Committee, and report to that Committee on the outcome of the review.
- F.10 If the Strategic Policy and Resources Committee cannot agree the cash limits for the various committees it will refer the estimates back to those committees for further consideration.
- F.11 If, after further consideration, a Committee is unable to agree its estimate, the Strategic Policy and Resources Committee will set the cash limit for that Committee.
- F.12 In accordance with the Local Government Finance Act (NI) 2011, the Director of Finance & Resources must assess the financial risks facing the authority and based on this assessment advise the Strategic Policy and Resources Committee on prudent levels of reserves for the Council at the time when the Strategic Policy and Resources Committee considers the annual budget.

## Formulation of the Capital Programme & Other Investment Funds

- F.13 The Capital Programme is the Council's rolling programme of acquisition, construction or enhancement of Council assets. The Capital Programme is one of three key funding mechanisms available to deliver on the Council's priorities and commitments set out in its Investment Programme. The other key funding mechanisms are the [Local Investment Fund](#) (LIF), which is designed to support smaller neighbourhood regeneration projects and the [Belfast Investment Fund](#) (BIF), which is designed to support partnership projects at a city level.
- F.14 Capital Expenditure as defined by CIPFA guidance is that which is on the acquisition, creation or enhancement of fixed assets on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably (See Accounting Manual for further definition). The Director of Finance & Resources and the Director of Property & Projects are responsible for preparing on an annual basis a five year capital programme and financing plan for the Strategic Policy and Resources Committee to consider. In doing so they must follow the procedures prescribed in the Council's Accounting Manual.
- F.15 The 'CIPFA Prudential Code for Capital Finance in Local Authorities' requires local authorities to set prudential indicators. The Director of Finance & Resources is responsible for reporting the prudential indicators and to:
- advise on the prudential indicators that the Council should set in accordance with the code; and
  - report to the Strategic Policy and Resources Committee all matters that the Council needs to take into account when setting such indicators.
- F.16 The Director of Finance & Resources, together with the Director of Property & Projects is responsible for setting up procedures under which the Council evaluates and appraises capital expenditure proposals to ensure that the proposals are capable of being delivered by the Council and that the Council:
- realises value for money;
  - accomplishes the objectives of its medium term financial plan; and
  - achieves its asset-management objectives.
- F.17 The Director of Finance & Resources is responsible for setting up procedures to enable the Council to corporately monitor external sources of capital funding.

- F.18 The Director of Finance & Resources is responsible for ensuring that the Council follows the CIPFA Code of Practice(as outlined in the Accounting Manual) when deciding to classify expenditure as being of a capital nature.
- F.19 The Director of Property & Projects is responsible for complying with the procedures described in Financial Regulation F.15.
- F.20 The Director of Property & Projects is responsible for:
- ensuring that capital proposals are prepared in line with the guidance that the Council has issued;
  - ensuring that business cases are developed and options are appraised in the course of preparing proposals, identifying any risks; and
  - ensuring that the proposals reflect agreed service and corporate plans and are realistic.
- F.21 The Director of Finance & Resources is responsible for identifying the full impact of capital expenditure proposals both on service revenue accounts and on the Council's medium term financial plan. This will include the impact of both capital financing and the running costs of the operational asset.
- F.22 The Director of Finance & Resources is responsible for advising the Strategic Policy and Resources Committee of the full impact of capital expenditure proposals on:
- service revenue accounts (this will include the impact of both capital financing and the running costs of the operational asset);
  - the Council's medium term financial plan; and
  - the district rate over the life of the Council's medium term financial plan.
- F.23 The Strategic Policy and Resources Committee must consider and approve capital schemes before the Council can include them in the capital programme or other Investment Funds.

## **G Financial Management**

### **Budgetary Responsibility**

- G.1 Each Chief Officer is responsible for ensuring that their Departments receive all income and that it does not spend more than the amount of expenditure it has estimated.
- G.2 The Council expects that Departments and services will exercise control over estimates at the level of both services and cost/profit centres. Chief Officers may incur any expenditure on matters for which the Council approved the estimates provided that:
- where the expenditure is to be grant-aided or reimbursed then they must not commit or incur expenditure until they have received the decision of the appropriate funding body; and
  - where expenditure is to be incurred subject to a formal contract then an Officer or committee must not commit the Council to any expenditure before the parties execute the contract.
- G.3 It is the responsibility of the Director of Finance & Resources to establish an appropriate framework of budgetary management and control which ensures that:
- budget management is exercised within the annual cash limits unless the Council agrees otherwise;
  - each Chief Officer is provided with timely information on income and expenditure on each budget heading;
  - all Officers responsible for committing expenditure comply with corporate guidance, Financial Regulations and Standing Order;
  - each budget head has a named Manager, determined by the relevant Chief Officer;
  - significant variances from budget are investigated on a timely basis;
  - ensure that relevant training is provided to budget Managers responsible for budget monitoring; and
  - to administer and ensure adherence to the Council's scheme of virement.
- G.4 It is the responsibility of a Chief Officer to ensure that he/she identifies Budget Managers to be accountable for each item of income and expenditure under his/her control. As a general principle, the responsibility for managing a budget should be

aligned as closely as possible to those roles that are responsible for deciding to commit expenditure. Departmental procedure manuals must explain:

- the extent to which the Department has delegated budgets; and
- to whom the Department has delegated budgets.

G.5 Budget Managers will:

- ensure all income and expenditure is properly recorded and accounted for;
- ensure that individual sub-budgets are not overspent;
- exercise discretion in managing the service's budgets;
- ensure that a monitoring process is in place; and
- report regularly to Chief Officers, Departmental Business Support Managers and the Director of Finance & Resources.

G.6 The Head of Finance & Performance and Departmental Business Support Managers are responsible for advising the Director of Finance & Resources of any income or expenditure accruals they require. The Departmental Business Support Manager must prepare the necessary journals and retain the documentary evidence that the Council needs to support the journals.

## **Budget Profiling**

G.7 The Budget Manager is responsible for profiling his/her budget to reflect the pattern of expenditure that he/she anticipates.

G.8 Re-profiling of a budget is permitted at the beginning of each quarter after the Corporate Management Team or the relevant Departmental Management Team has considered the previous quarter's performance. The Director of Finance & Resources must approve any re-profiling of budgets that a Department or service requires.

## **Variance Analysis**

G.9 Monthly and Quarterly income and expenditure reports (adjusted for accruals) and forecasting information must be included as a standing item on the agenda for meetings of the Corporate Management Team and Departmental Management Teams.

G.10 Where a variance is outside of the variance range prescribed by the Director of Finance & Resources, then the Budget Manager and the Departmental Business Support Manager are responsible for investigating the cause of the variance. In carrying out their investigations, they must:

- review the original budget;
- review the assumptions they made about the phasing of the budget;
- analyse the transactions for the year to date; and
- review the assumptions they made when forecasting the outturn (the anticipated year-end variance between actual and budget).

The Budget Manager and the Departmental Business Support Manager must report this to the Director of Finance & Resources, explaining in their report:

- the cause of the variance; and
- the action that the service will take to correct the variance.

G.11 The Budget Manager and the Business Support Manager are both responsible and must take action when a variance arises. Such action may include:

- re-profiling of a budget;
- extracting in-year savings; and
- funding a shortfall.

## **Budget Reporting - Revenue Expenditure**

G.12 Each Chief Officer must report quarterly to the relevant Committee on the performance of his/her area of responsibility.

G.13 The Director of Finance & Resources must report quarterly to the Corporate Management Team:

- a forecast of outturn (anticipated variance between actual and budget) for the year; and
- an explanation of any service revenue account net expenditure variance outside of the variance range prescribed by the Director of Finance & Resources.

G.14 The Director of Finance & Resources must report quarterly to the Strategic Policy and Resources Committee:

- a forecast of outturn (anticipated variance between actual and budget) for the year, including the Land and Property Service (LPS) forecast of the Actual Penny Product for the year; and
- an explanation of any service revenue account net expenditure variance outside of the variance range prescribed by the Director of Finance & Resources.

G.15 At the end of the financial year, all Chief Officers must report to the relevant Standing Committee:

- actual outturn (variance between actual and budget) for the year; and
  - an explanation of any service revenue account net expenditure variance outside of the variance range prescribed by the Director of Finance & Resources.
- G.16 The Director of Finance & Resources is also responsible for reporting year-end balances to the Strategic Policy and Resources Committee. The Strategic Policy and Resources Committee is responsible for agreeing the detail of any annual roll forward of year end balances to specified reserves.
- G.17 The Director of Finance & Resources must report on the financial outturn for the year to the Audit Panel and the Strategic Policy and Resources Committee by the 30th June following the year-end. The report must include commentary on the level and adequacy of the Councils general reserves.

## **In Year Reallocation of Resources**

- G.18 Should the quarterly reporting to the Strategic Policy & Resources Committee indicate a forecast year end under-spend position, the Director of Finance & Resources may recommend to the Strategic Policy & Resources Committee an amount of 'in year' resources which could be reallocated to other non-recurring activities.
- G.19 In order to limit the risk involved in reallocating resources, based on a year-end forecast, the consideration of any reallocation will not normally take place before the Quarter 2 report is presented to the Strategic Policy & Resources Committee.
- G.20 Should the Strategic Policy & Resources Committee decide to make an 'in year' reallocation, based on the departmental forecasts, the Director of Finance & Resources will advise Chief Officers that this decision has been made and it will be the responsibility of the relevant Chief Officer to ensure that their departmental resources are managed within the forecast under-spend position.

## **Virement**

- G.21 Chief Officers are responsible for ensuring that spending remains within the overall cash limit of the service and that spending does not exceed individual policy budget headings. It is however permissible that in certain circumstances, resources are transferred between budget headings subject to the necessary approval. The transfer of resources between budget headings is referred to as a virement.
- G.22 Chief Officers must submit the following proposals for virement to the Director of Finance & Resources who may either approve the request or refer it to the Strategic Policy & Resources committee according to the following guidelines:

- The Director of Finance & Resources may approve a virement **within** a service unless in his/her judgement the sum involved is material in relation to the Council's service policies or budget strategy, in which case he/she will refer the request to the Strategic Policy & Resources Committee for its approval.
- The Director of Finance & Resources may approve virements **between** services within the same Department unless in his/her judgement the sum involved is material in relation to the Council's service policies or budget strategy, in which case he/she will refer the request to the Strategic Policy & Resources Committee for its approval.
- The appropriate Committee and the Strategic Policy and Resources Committee may approve a virement between Departments except where the Director of Finance & Resources judges that the amount involved is immaterial.
- Chief Officers must demonstrate that the savings that they propose to realise on the budget to be vired are feasible. The Council will not allow Chief Officers to make virements against future anticipated fees and charges or other uncertain sources of income. Chief Officers may not use savings of a non-recurring nature to justify a decision to incur expenditure that also brings a continuing commitment into later years.
- The Director of Finance & Resources may approve a virement to fund new work, unless in his/her judgement the sum involved is material in relation to the Council's service policies or budget strategy, in which case they will refer the request to the Strategic Policy & Resources Committee for its approval.
- No virement relating to a specific financial year should be made at the end of a financial year after the date specified by the Director of Finance & Resources for closure of the accounts.

G.23 When a sudden emergency creates need, then Financial Regulations shall not prevent a Chief Officer from incurring essential expenditure but in such circumstances the Chief Officer must report immediately to the Director of Finance & Resources and the Chairman of the Strategic Policy & Resources Committee the action that has been taken.

## **Funding a Shortfall or Extracting In-Year Savings**

G.24 Budget Managers and Departmental Business Support Officers are responsible for containing expenditure within the budget that the Council has approved.

G.25 In the event that a budget overspend is forecast, the budget holder will identify the corrective action to be taken to bring the budget back into balance. As noted above, Chief Officers must refer to the Strategic Policy and Resources Committee any



proposal to incur expenditure or vary income which is not included within the estimates and which cannot be covered by virement.

## **Capital Programme and Other Investment Funds**

- G.26 Capital schemes must not be progressed unless the Strategic Policy & Resources Committee has approved their inclusion in the Capital Programme or other Investment Funds.
- G.27 The Director of Finance & Resources and the Director of Property & Projects are responsible for monitoring monthly, the income and expenditure of capital schemes. Once capital expenditure has been approved, it is the responsibility of the Director of Property & Projects to ensure that the approved sums are not exceeded, except under the following circumstances:
- The Director of Property & Projects must refer to the Director of Finance & Resources and the Strategic Policy & Resources Committee any proposal to incur expenditure or vary income which is not included within the estimates and which cannot be covered by Financial Regulation G.30.
  - Where a sudden emergency creates needs, then Financial Regulations shall not prevent the Director of Property & Projects from incurring essential expenditure but in such circumstances the Director of Property & Projects must report immediately to the Director of Finance & Resources and the Chairman of the Strategic Policy & Resources Committee the action that they have taken and must at the next opportunity report such action to the Strategic Policy & Resources Committee.
- G.28 The Director of Property & Projects is responsible for reporting to the Director of Finance & Resources on all matters of a financial nature relating to the Capital Programme.

## **Variations to Approved Capital Expenditure**

- G.29 Where it becomes apparent that the approved sum of a capital scheme has been or is likely to be exceeded or there are significant variations in the phasing or revenue implications of a scheme, then the Director of Property & Projects shall inform the Strategic Policy and Resources Committee after consulting the Director of Finance & Resources.
- G.30 The Director of Finance & Resources may approve an increase in the sums of a capital scheme without referring this to the Strategic Policy and Resources Committee where the amount concerned is less than 10% of an individual scheme and less than £100,000.

G.31 The Director of Finance & Resources is responsible for establishing procedures to monitor and report on performance in relation to the prudential indicators set by the Council.

G.32 Virement does not apply to capital expenditure.

## **Capital Receipts**

G.33 Funds received in respect of a disposal of a non-current asset are known as capital receipts. The Council must apply capital receipts in accordance with Local Government Finance Act (NI) 2011. An amount equal to the whole or any part of a capital receipt may be used only to meet:

- capital expenditure; or
- debts or other liabilities (including revenue expenditure funded from capital under Statute)

G.34 In accordance with the Local Government (Capital Finance & Accounting) Regulations (NI) 2011, the Council will not treat as such those receipts which meet all other criteria for recognition as a capital receipt, if the sum received does not exceed £5,000.

## **Budgetary Reporting - Capital Programme & Other Investment Funds**

G.35 The Director of Finance & Resources and the Director of Property & Projects, must present quarterly reports to the Strategic Policy and Resources Committee, on:

- the progress of projects under the capital programme;
- the regular monitoring and forecasting of capital expenditure; and
- capital income compared with budget.

G.36 The Director of Finance & Resources is responsible for reporting capital performance, including income, expenditure and capital financing to the Strategic Policy & Resources Committee at the financial year end.

G.37 The Director of Finance & Resources must report on a 6-monthly basis on the performance of the Council in relation to prudential indicators to the Strategic Policy & Resources Committee.

## **H Reports to Committees**

- H.1 Where a Chief Officer intends to vary or undertake new policy initiatives which have significant financial consequences then he/she must consult the Director of Finance & Resources before seeking approval from the Strategic Policy & Resources Committee.

# **I Salaries, Wages and Pensions**

- I.1 The Council will pay all salaries, wages, pensions, compensation and other emoluments to employees or former employees or the legal personal representatives of employees or former employees of the Council either by the Director of Finance & Resources or under arrangements that the Director of Finance & Resources approves and controls.
- I.2 Chief Officers shall notify the Director of Finance & Resources as soon as possible in a form prescribed by the Director of Finance & Resources, of all matters affecting the payment of items referred to above and in particular:-
- appointments, resignations, dismissals, suspensions, secondments and transfers of employees;
  - absences by employees from duty for sickness or other reasons, apart from approved leave;
  - changes in remuneration, other than normal increments, pay awards and agreements of general application;
  - information necessary to enable the Council to maintain records of an employee's service for superannuation, income tax and national insurance.
- I.3 The Council will make appointments of all employees in accordance with the regulations of the Council and the establishments, grades and rates of pay that it has approved.
- I.4 The Director of Finance & Resources must prescribe or approve the form in which the Council prepares time records or other pay documents relating to salaries and wages. Either the appropriate Chief Officer or someone acting with his/her authority must certify such time records and other pay documents.
- I.5 Each Department must send to Director of Finance & Resources a list of the names and job titles of all Officers authorised to approve payroll transactions and other payroll matters, together with a specimen signature for each Officer whose name appears on the list, and must provide an amended list when the names change.
- I.6 The Director of Finance & Resources has discretion to advance money to employees, based on the recommendation of the appropriate Chief Officer.
- I.7 Every Officer who is responsible for paying money to an employee or former employee is also responsible for keeping the money safe and following the arrangements that the Director of Finance & Resources has approved for making this type of payment.

I.8 The Director of Finance is responsible for putting in place appropriate controls to ensure that:

- payments are only authorised to bona fide employees;
- payments are only made where there is a valid entitlement;
- conditions and contracts of employment are correctly applied;
- employees' names listed on the payroll are checked at regular intervals
- accuracy, completeness and continued employment are verified;
- there is an effective system of checking and certifying payroll forms

## **J Purchase Orders for Works, Goods and Services**

- J.1 Every purchase order represents a contractual agreement between the Council and a supplier of works, goods or services (See Financial Regulations Section K). Departments may issue purchase orders only where the resulting expenditure complies with the requirements of the Council's Standing Orders, Financial Regulations and Accounting Manual.
- J.2 Every Member and Officer of the Council has a responsibility to declare any links or personal interests which he/she may have with purchasers or suppliers if he/she is engaged in contractual or purchasing decisions.
- J.3 Each Chief Officer is responsible for all purchase orders that his/her Department issues and is responsible to make sure that there is sufficient provision to fund the expenditure in the relevant budget that the Council has approved.
- J.4 Departments must issue official purchase orders for all work, goods or services that they wish suppliers to provide to the Council, except for supplies of public utility services, for periodic payments such as rent or rates, for petty cash purchases or such other exceptions as the Director of Finance & Resources may approve.
- J.5 Departments must use the purchase ordering system that the Director of Finance & Resources has established for this purpose unless the Director of Finance & Resources approves other arrangements.
- J.6 Where circumstances dictate that a Department has to give an urgent oral instruction for works, goods or services, then it must confirm this by issuing an official purchase order through the established system within 2 working days.
- J.7 Where the Council has established corporate contracts for certain items of expenditure, then Departments must use these contracts when they wish to purchase such items.
- J.8 If a Department in the Council has a requirement for works, goods or services it should contact Contract Services to discuss procurement options.
- J.9 All works, goods and services received must be checked on receipt to ensure they are in accordance with the purchase order before receipting or authorising payment.
- J.10 The process of ordering, receipting and authorising payment will be carried out by separate Officers to maintain appropriate segregation of duties.

## **K Tenders, Quotations & Contracts for Works, Goods or Services**

- K.1 Every purchase order represents a contractual agreement between the Council and a supplier of works, goods or services. An Officer or committee may enter into a contract only where the resulting expenditure complies with requirements of the Council's Standing Orders and Financial Regulations.
- K.2 Every purchase of works, goods or services which exceeds or is likely to exceed the statutory amount (currently £30,000) must be subject to tender in accordance with Standing Order 64. It must also follow the procedures outlines in Financial Regulations K.3 to K.21.

### **Tenders**

- K.3 Where they have a requirement for works, goods or services which is estimated to be over the statutory amount (currently £30,000), Departments must seek the advice of Contract Services prior to the commencement of any procurement exercise to discuss the procurement options which might be available.
- K.4 Before inviting tenders for any works, goods or services, criteria against which tenders will be evaluated must be established. Tender submissions must be consistently and objectively assessed against this criteria and a report detailing the procurement and evaluations must be prepared for the approval of the appropriate Chief Officer.
- K.5 Where the procurement value exceeds, or is expected to exceed, the current European Union procurement thresholds (as advised by Contract Services), then the opportunity must be advertised in the Official Journal of the EU (OJEU) and the regulations governing each subsequent stage of the procurement process must be adhered to. In order to calculate whether these thresholds are relevant, the Council must include the aggregate expenditure on similar goods and services over the life of the contract. Consequently, Departments must advise Contract Services of their forthcoming procurement requirements on a regular basis or upon request.

### **Quotations**

- K.6 For the purchase of works, goods or services below the statutory amount (currently £30,000) the Council has agreed with the Local Government Auditor the following arrangements relating to the invitation of quotations:

- where the cost does not exceed £3,000 - written quotations are not required;
- where the cost does not exceed £8,000 - issue written quotation invitations to three suitable suppliers; and
- where the cost exceeds £8,000 and up to £30,000 - issue written quotations to four suitable suppliers.

These are minimum requirements. It may be advisable to seek quotations in excess of the number specified, or to advertise where such an approach would be likely to attract more competitive responses.

K.7 Departments must evaluate quotations received and must accept the most economically advantageous quotation, taking account of both price and quality.

K.8 Departments must retain:

- all quotations that they receive; and
- a file containing all relevant quotation documentation including details of the evaluation process and decisions made.

K.9 Quotation documentation, responses and evaluations must be provided by the relevant Department to the Director of Finance & Resources or the Head of Contracts upon request.

## **Tenders, Quotations and Contracts**

K.10 Every contractual agreement which exceeds the statutory amount (currently £30,000) shall be made under the Corporate Seal and therefore requires a formal written agreement to be prepared and executed by the Town Solicitor.

K.11 Contractual agreements which exceed the statutory amount must be approved by the relevant Committee before proceeding to tender stage. All contractual agreements of a capital nature must be approved by the Strategic Policy and Resources Committee before proceeding to tender stage.

K.12 All tenders and quotations exceeding the statutory amount must be invited via, and a copy of contract documentation stored in, the online e-procurement portal. Exceptions to this requirement must be authorised by the Head of Contracts and in such exceptional cases, each Chief Officer must:

- provide the Head of Contracts with a copy of:
  - the tender invitation;



- evaluation and tender report; and
  - all contract documentation.
- keep a register containing all relevant contract information including, but not limited to:
  - details of the contractor;
  - the approved contract price together with any amendments as a consequence of valid contractual variations or authorised compensation events;
  - the amount, computation and date of each interim payment on account towards the contract price and of any sums retained pending satisfactory completion of the contract or deducted as damages;
  - the final account computation;
  - the estimated date of completion of the contract;
  - the actual completion date of the contract; and
  - any other related payments or professional fees.

K.13 It is the responsibility of the relevant Chief Officer to notify contractors in writing regarding any addition or variation to a contract before the contractor undertakes the addition or variation or according to the terms of the contract.

K.14 The Council will make payments to contractors in respect of all works contracts only when the Officer charged with managing the contract has issued a certificate. The certificate shall show the total amount of the contract, the value of the work executed to the assessment date, the amounts already paid, any retention money, any deductions and the amount certified.

K.15 An Officer receiving a claim from a contractor in respect of matters not clearly within the terms of any existing contract shall refer such a claim to the Head of Contracts in the first instance for consideration of the Council's legal liability. Where circumstances dictate, the Head of Contracts will escalate any claim to the Town Solicitor and, where necessary, to the Director of Finance & Resources for financial consideration before a decision is reached.

K.16 Where completion of a contract is delayed beyond the contract completion date, or any authorised extension to this date, the Officer charged with supervising the contract shall be responsible to take appropriate action in respect of any application of delay damages. Delay damages shall be waived only with the approval of the appropriate committee controlling the project budget.

- K.17 A final certificate of completion of any contract shall only be issued when the contract manager has produced a detailed statement of account including all relevant documents and on confirmation that all of the contractor's obligations and liabilities have been satisfactorily discharged.
- K.18 The Head of Contracts or the Director of Finance & Resources shall, to the extent they consider necessary, examine final accounts for contracts, and shall be entitled to make all such enquiries and receive such information and explanations as required in order to satisfy themselves as to the accuracy of the accounts.
- K.19 Where an Officer wishes to appoint an external consultant to manage a contract, he/she must consult the appropriate Chief Officer concerning suitability of the nominated consultant both when he/she first considers appointing a consultant and before the final decision to appoint
- K.20 The agreement with the appointed consultant must require the consultant to comply with these regulations and include the right for the Director of Finance & Resources to examine relevant financial records.
- K.21 Unless the Strategic Policy and Resources Committee has specifically approved other arrangements, the relevant Chief Officer shall be responsible as appropriate for the following:
- submitting contract certificates to the Director of Finance & Resources;
  - issuing any relevant report to a committee; and
  - verifying the accuracy of professional fees and charges.

## **L Payment of Accounts**

- L.1 The Director of Finance & Resources must pay all accounts.
- L.2 Each Chief Officer is responsible for verifying and certifying any invoices or accounts which may be queried by the Central Transactions Unit (CTU).
- L.3 Each Department must:
- agree with the Director of Finance & Resources the names of Officers authorised to approve such records;
  - send to the Director of Finance & Resources a list of the names and job titles of all such Officers together with a specimen signature for each Officer whose name appears on the list; and
  - provide an amended list when there is a change to personnel.
- L.4 Except to the extent that the Director of Finance & Resources agrees otherwise, before confirming receipt of a purchase order item or certifying an account, the authorised Officer must satisfy themselves as set out below.

For confirming receipt of a purchase order item, the Chief Officer is responsible for ensuring:

- the supplier has delivered or completed the work, goods or services and goods received note has been obtained;
- the Council has examined and approved the work, goods or services;
- the Council has incurred the expenditure properly, and the expenditure is within the relevant original or revised budget;
- the Council has made appropriate entries in inventories, stores records or stock books as necessary; and
- the Council has not previously recorded confirmation of receipt of the purchase order item and the item is a proper liability of the Council;

For certifying an account (in addition to the requirements listed above) to the Chief Officer is responsible for ensuring:

- the Council has not previously passed the account for payment and the account is a proper liability of the Council; and
- the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.

- L.5 In instances where a supplier of goods or services requires payment to be sent with the order, the Chief Officer of a Department who authorises such payment shall

ensure that the supplier provides the Council with an invoice which itemises the goods or services provided. The Department must then forward this invoice to the Director of Finance & Resources attached to the pro-forma invoice which initiated the payment.

- L.6 Where the Council pays grants and contributions to persons and outside bodies, then these payments should be made according to the current terms and conditions that the relevant committee has approved.
- L.7 Departments must record confirmation of receipt of goods and services at the time when a supplier delivers the goods or completes the service.
- L.8 Departments must pass duly certified accounts in relation to direct payments (as defined in the Direct Payment Policy) without delay to the Director of Finance & Resources who shall examine them to the extent that he/she considers necessary, for which purpose he/she shall be entitled to make such enquiries and to receive such information and explanations as he/she may require.
- L.9 The Director of Finance and Resources shall pay all amounts which the Council is legally liable to pay on the basis of an approved Purchase Order, or when the relevant Chief Officer, or someone acting on his/her authority certifies the account, invoice or interim certificate. Departments must endorse all of these with information that shows the amount that the Council should allocate to each approved budget heading.
- L.10 The Director of Finance & Resources shall arrange for the Council to pay accounts promptly and receive cash discounts where applicable.
- L.11 Payments made by the Council shall be by electronic payment methods (e.g. BACS) directly to a supplier's bank account and petty cash for small incidentals. In exceptional circumstances, where suppliers are unable to accept payment via BACS, cheques will be issued by the Director of Finance & Resources.
- L.12 Those wishing the Council to make immediate payment must obtain the agreement of either the Director of Finance & Resources or the Director's nominee.
- L.13 Each Chief Officer shall as soon as possible after 31 March, and not later than the date specified by the Director of Finance & Resources, notify the Director of Finance & Resources of all outstanding expenditure relating to the previous financial year. The certifying Chief Officer is responsible to ensure that when the Council subsequently pays these items, the Council has properly identified them as prior-year items and coded them accordingly.

## **M Income**

- M.1 All income due shall have a proper base, which is derived from law, Council decision or delegated authority. Departments must collect all money due to the Council according to procedures that the Director of Finance & Resources has approved, and must support this collection activity by proper records and documentation.
- M.2 Chief Officers who are responsible for the collection of monies due to the Council must collect income promptly, and record and bank the money they receive without undue delay. Departments must not make any deduction from income unless the Director of Finance & Resources specifically authorises them to do so. Departments must collect income by the most appropriate mechanism, taking account of:
- the cost of collection;
  - safety; and
  - the need to maintain effective internal control.
- M.3 Departments must properly receipt all money received on behalf of the Council.
- M.4 Where an employee or agent of the Council receives money on behalf of the Council, then he/she must use an official receipt form. He/She must obtain the approval of the Director of Finance & Resources for the form of this official receipt.
- M.5 Where a Department uses pre-printed receipt forms, tickets and other documents of a similar nature to acknowledge income, it must be in a form approved by the Director of Finance & Resources. Each Chief Officer is responsible for the safe custody of such documents and for controlling how his/her Department uses these, according to arrangements that the Director of Finance & Resources has approved.
- M.6 Every employee who pays money into any of the Council's bank accounts must do so according to instructions that the Director of Finance & Resources issues.
- M.7 Where a Department receives money on behalf of the Council, then it must not use this to cash postal orders, personal or other cheques.
- M.8 Each Chief Officer must provide the Director of Finance & Resources with the following information in order to enable him/her to record correctly all sums due to the Council and to ensure that the Council issues invoices promptly:
- work that the Council has carried out for customers;
  - goods that the Council has delivered to customers;
  - services the Council has provided to customers; and
  - any sums due from customers for any other reason.

- M.9 Departments must notify the Director of Finance & Resources promptly concerning:
- all money due to the Council; and
  - contracts, leases and other agreements and arrangements they have entered into which involve the Council receiving money

In connection with this, the Director of Finance & Resources shall have the right to inspect any documents or other evidence he/she requires.

- M.10 Where one Member of staff transfers official money to another, then the receiving Officer must sign the records of the Department concerned as evidence of the transfer.

- M.11 Where a party owes money to the Council, then one of the following must apply:

- the party must pay it in full;
- a competent court may reduce or eliminate the debt; or
- the Council may write the debt off.

- M.12 The Council will write a debt off on the authority of:

- a Chief Officer for debts not exceeding £2,000, provided that he/she notifies the Director of Finance & Resources; or
- the appropriate committee for debts exceeding £2,000.

In both these circumstances, the Council will authorise a write-off only where all of the following apply:

- the debt is properly established and enforceable;
- the debt remains unpaid in whole or in part;
- the debt cannot be recovered at reasonable effort and expense; and
- the debt is not attributable to fraud, theft, irregularity or the negligence of an Officer.

- M.13 Every Chief Officer shall as soon as possible after 31 March, and not later than the date that the Director of Finance & Resources specifies, notify the Director of Finance & Resources on request of all debts that they have not previously:

- notified to him/her; or
- identified as prior-year items.

## **N. Treasury Management**

- N.1 The Director of Finance & Resources must comply with the CIPFA Code for Treasury Management in Local Authorities and create and maintain as the cornerstones of effective treasury management:
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
  - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
- N.2 The Director of Finance & Resources will report to the Strategic Policy & Resources Committee on the Council's treasury management policies, practices and activities, including an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form described in its TMPs.
- N.3 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Head of Finance and Performance, and for the execution and administration of treasury management decisions to the Financial Accounting Manager, who will act in accordance with the organisation's policy statement and TMPs.
- N.4 This Strategic Policy & Resources Committee will be responsible for ensuring effective scrutiny of the Council's treasury management strategy and policies.
- N.5 The Council will authorise the Director of Finance & Resources to operate such banking accounts as he/she may consider necessary and to make all arrangements with the Council's bankers.
- N.6 The Director of Finance & Resources shall order and control all cheques and shall make proper arrangements for:
- holding blank cheques safely; and
  - preparing, signing and dispatching cheques.
- N.7 The Council requires all cheque signatories to comply with the arrangements for signing cheques that the Director of Finance & Resources has approved.
- N.8 The Council requires all those transferring funds electronically to comply with the arrangements that the Director of Finance & Resources has approved for authorising such transfers.
- N.9 Where the Council wishes to borrow money, then in all such circumstances the Director of Finance & Resources shall:

- make the arrangements for negotiating the loans
  - ensure that the Council does not exceed its overall borrowing powers
  - ensure that the Council does not borrow in a currency other than Sterling without the consent of the Department of Finance & Personnel.
- N.10 The Director of Finance & Resources shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all money that the Council borrows.
- N.11 The Council shall authorise the Director of Finance & Resources to:
- invest on its behalf such surplus monies of the Council as he/she believes is appropriate; and
  - realise or change such investments as he/she may believe to be necessary and desirable for the benefit of the Council.
- N.12 The Director of Finance & Resources must make all borrowings and investments in the name of Belfast City Council.
- N.13 The Director of Finance & Resources must create all trust funds wherever possible in the name of the Council.
- N.14 The Director of Finance & Resources must ensure that investment securities are safe and secure and that appropriate records of all transactions are maintained.



## **O Insurances**

- O.1 The Director of Finance & Resources shall arrange all insurance cover, negotiate insurance claims, maintain adequate records of insurance transactions, and keep in safe custody all insurance policies of the Council.
- O.2 The Director of Finance & Resources shall, in consultation with other Chief Officers, keep under continuous review the adequacy of the Council's insurances, and shall periodically supply to each Chief Officer a statement of the insurances that the Council maintains on behalf of his/her Department. This statement will include procedures for reporting new risks, claims and a summary of the main insurance requirements with which insurers expect the Council to comply.
- O.3 Each Chief Officer shall promptly notify the Director of Finance & Resources in writing of the extent and nature of all new risks arising from the operation of his/her Department, including additional properties or vehicles, and of any alterations in the duties and functions of his/her Department which add to or reduce insurance risks.
- O.4 Each Chief Officer shall notify the Director of Finance & Resources in writing immediately of any loss, damage, liability, or any event likely to lead to a claim in connection with his/her Department and in appropriate cases shall also inform the police.
- O.5 Every Chief Officer shall be responsible for ensuring that his/her Department complies with all the requirements of the insurer as to security precautions and other relevant conditions of policies.
- O.6 The Director of Finance & Resources shall include all appropriate employees of the Council in a suitable fidelity guarantee insurance policy.
- O.7 Chief Officers shall inform the Director of Finance & Resources and the Town Solicitor regarding:
- the terms of any indemnity which anyone asks the Council to give; and
  - insurance conditions in legal contracts which could affect the Council's insurance cover.
- O.8 Any employee of the Council who is authorised to make use of his/her own motor vehicle in the execution of the Council's business shall maintain adequate insurance cover for such use and shall produce to his/her Chief Officer on request evidence of such insurance.

## **P. Stocks and Stores**

- P.1 Chief Officers are responsible for:
- receiving the stocks and stores in his/her Departments;
  - holding such stocks and stores safely and securely;
  - issuing items from stocks and stores; and
  - maintaining suitable records in a form and manner that the Director of Finance & Resources has approved.
- P.2 Departments must effectively safeguard stocks and stores from loss, theft or damage.
- P.3 Every Chief Officer shall ensure that such stocks shall not be in excess of the normal requirements except in circumstances that the Director of Finance & Resources has approved.
- P.4 Each Chief Officer will provide to the Director of Finance & Resources such information as he/she requires in relation to stores for the purposes of accounting, costing, and keeping financial records.
- P.5 The Director of Finance & Resources shall determine general principles governing the issue prices of materials and equipment that Departments draw from stores.
- P.6 Chief Officers shall arrange for someone to carry out a stock-take independently of the employees responsible for the custody of stocks and stores, so that their Department checks all items at least once a year. The Council will write off deficiencies or adjustments related to individual stock items on the authority of:
- the relevant Chief Officer for amounts not exceeding £200, subject to an overall limit equivalent to 1% of opening stock, provided that he/she notifies the Director of Finance & Resources;
  - the Director of Finance & Resources for amounts not exceeding £2,000; or
  - the Strategic Policy and Resources Committee for individual adjustments exceeding £2,000 provided the Chief Officer also reports the write-off to the relevant committee.
- P.7 All discrepancies on stocks and stores should be taken seriously. Where there is any suspicion that the discrepancy is a result of theft or fraudulent activity, this must be reported immediately to the Head of Audit, Risk & Governance Services.
- P.8 Every Chief Officer responsible for the management of stocks of equipment and materials shall as soon as possible after 31 March, and not later than the date that the Director of Finance & Resources specifies, deliver to the Director of Finance &

Resources a certified account detailing quantities in hand at 31 March and the value of such stocks.

P.9 Departments must dispose of surplus and obsolete stocks and stores by competitive tender or public auction unless:

- of a minimal value; or
- the Director of Finance & Resources decides otherwise.

## **Q. Moveable Assets**

- Q.1 Each Chief Officer must maintain inventory records of all moveable assets that his/her Department holds on behalf of the Council in a form that the Director of Finance & Resources has approved. This will include furniture, fittings and equipment, vehicles, plant and machinery as the Director of Finance & Resources has prescribed.
- Q.2 Each Chief Officer is responsible to carry out an annual check of all items on the inventory listing. The Chief Officer may write off any variations but must make a corresponding note in the inventory. However, he/she should:
- investigate any significant variations; and
  - report the matter to the Director of Finance and Resources.
- Q.3 Unless the Chief Officer concerned specifically directs otherwise, then his/her staff must not:
- remove from Council premises property that the Council owns or leases other than is necessary for conducting normal Council business; and
  - use such property for purposes other than conducting normal Council business.
- Q.4 Departments must dispose of surplus and obsolete items by competitive tender or public auction unless:
- of a minimal value; or
  - the Director of Finance & Resources decides otherwise.

## **R. Buildings and Land**

R.1 The Director of Property & Projects shall maintain records of all land and properties owned or occupied by the Council in a form or manner approved by the Director of Finance & Resources. The information he/she records should provide details of:

- the holding committee;
- the purpose for which the Council holds the property;
- the location of the property;
- extent of the land and property;
- references to plans that the Council holds;
- purchase details;
- the nature of the Council's interest in the property;
- rents payable or receivable by the Council; and
- details of tenancies that the Council has granted.

R.2 The Town Solicitor must keep all the following safely and securely:

- title deeds;
- land certificates;
- leases;
- tenancy agreements;
- contracts; and
- associated bonds under seal.

## **Disposals**

R.3 The Council shall dispose of land and buildings only if the Strategic Planning & Resource Committee resolves to do so, subject to the Council ratifying this resolution.

R.4 According to Section 96 of the Local Government Act (Northern Ireland) 1972, unless the Department of the Environment (acting on behalf of the Secretary of State) approves otherwise, the Council must dispose of land at the best price or for the best rent or otherwise on the best terms that it can reasonably obtain.

R.5 Any Officer wishing to dispose of land and buildings must seek approval initially from the Director of Property & Projects. The Director of Property & Projects and the Town Solicitor are responsible for agreeing the terms of the disposal.

## **Acquisitions**

- R.6 The Council shall acquire land and buildings only if the Strategic Planning & Resource Committee resolves to do so, subject to the Council ratifying this resolution.
- R.7 The Council shall acquire land and buildings on the best terms that it can reasonably obtain, taking into account the whole of life cost associated with the property, including any associated liabilities.
- R.8 Any Officer wishing to acquire land and buildings must seek approval initially from the Director of Property & Projects. The Director of Property & Projects and the Town Solicitor are responsible for agreeing the terms of the acquisition.

## **Asset Register**

- R.9 The Director of Finance & Resources is responsible for the maintenance of a register of the Council's non-current assets. This register is maintained in accordance with the requirements of the CIPFA Code of Practice on Local Authority Accounting in the UK.
- R.10 Every Chief Officer is responsible for providing the Director of Finance & Resources with any information necessary to maintain the asset register.

## **S. Petty Cash**

- S.1 Council Officers from time to time incur petty cash and other expenses on Council business. The Director of Finance & Resources shall therefore provide such advance accounts as he/she considers appropriate for the purpose of reimbursing these expenses. Departments must use the imprest system to maintain these accounts.
- S.2 Any Officer to whom a petty cash advance has been made must:
- prescribe rules for operating these accounts;
  - determine the balance amount of each account;
  - obtain and retain vouchers to substantiate each payment made;
  - ensure that the imprest cash is safe and secure;
  - restrict the amount of each separate payment or the total of each specific type of payment to a limit approved by the Director of Finance & Resources;
  - produce upon demand to the Director of Finance & Resources cash or vouchers to the total of the imprest;
  - reconcile the imprest account at least monthly
  - investigate all discrepancies relating to imprest accounts
  - ensure that the imprest account does not become overdrawn
  - ensure that the account is not used to make personal loans to employees; and
  - at the end of each financial year complete and forward to the Director of Finance & Resources a certificate showing the value of the imprest held.
- S.3 The Director of Finance & Resources shall:
- maintain a record of imprest advances he/she has made;
  - periodically review the arrangements that Departments have made to control imprest advances and keep them safe and secure;
  - periodically examine the vouchers that Officers have retained to substantiate payments; and
  - reimburse as often as may be necessary the amounts expended.
- S.4 Departments must not include in an imprest any receipts other than sums that they have received from the Director of Finance & Resources to reimburse expenses that they have met from that imprest.

- S.5 Departments must not make a disbursement from any imprest other than to reimburse reasonable and proper expenses of the Council.
- S.6 When an Officer leaves the employment of the Council or otherwise ceases to be entitled to hold an imprest advance, he/she must account to the Director of Finance & Resources for the amount that the Director has advanced to him/her.



## **T. Security**

- T.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under his/her control. They must consult the Director of Finance & Resources in any case where he/she believes security is defective or where he/she considers that special security arrangements are required.
- T.2 Each Chief Officer must agree maximum limits for cash holdings with the Director of Finance & Resources and must not exceed these limits without his/her express permission.
- T.3 Each Chief Officer is responsible for establishing the arrangements within his/her own Department for holding securely the keys to safes and similar receptacles and must notify these arrangements to the Director of Finance & Resources in writing. Loss of keys must be reported immediately to the Director of Finance & Resources.
- T.4 Every Chief Officer is responsible for taking appropriate security measures against unauthorised access to or alteration or destruction of personal data and against accidental loss or destruction of personal data held in his/her Department.
- T.5 Every Chief Officer is responsible for ensuring that all business critical systems are identified, that these systems are adequately documented. Chief Officers are also responsible for ensuring that arrangements are in place for the continuity of service in the event of a disaster and that these arrangements have been tested in advance where practicable.

## **Data quality and data handling**

- T.6 Departments must restrict access to systems to those users that need it. Departments should strictly control access to raw data and as far as possible make only anonymous data readily available.
- T.7 Where it is not possible for Officers to access information on secure premises and systems, then Departments should apply the following hierarchy:
- Officers should access information via secure remote access methods so that they can view or amend the information without having to store it permanently on the remote computer;
  - next best is secure transfer of information to a remote computer on a secure site for permanent storage;

- the relevant information asset owner should approve decisions on handling and transfer of information in writing in line with the Council's Records Management Policy; and
- Departments should carefully consider and strictly limit user rights to transfer information to removable media, as governed by the Council's Removable Device Policy.

T.8 Where Departments need to make bulk transfers of information they should do so electronically across the secure corporate network. Where they need to share information between organisations, Departments should use a secure file transfer protocol (FTP) facility provided by Digital Services, which provides facilities for transferring information between departments and external parties. It is never acceptable to transfer bulk personal information via normal email services.

T.9 Every Chief Officer is responsible for ensuring that all employees are aware of their personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Chief Officers should ensure that appropriate training is provided to staff to inform them of the requirements of the Data Protection Act under which they are governed, as well as the Council's own Computer Usage Policy.

## **U. Travelling, Subsistence and Financial Loss Allowances**

U.1 The Director of Finance & Resources is responsible for the payment of expense claims to Council Officers making claims in line with the Council's Travel and Subsistence Policy. Each Department must send to the Director of Finance & Resources a list of the names and job titles of all Officers authorised to approve such claims, together with a specimen signature for each Officer whose name appears on the list, and must provide an amended list when the names change.

U.2 The Director of Finance & Resources will:

- make arrangements for paying all authorised travel and subsistence claims; and
- ensure that taxable allowances and benefits are accounted for, recorded and returned to HMRC where appropriate

U.3 The Director of Finance & Resources is also responsible for making payments to Members, including co-opted Members of the Council or its committees who are entitled to claim travelling or other allowances when they receive the prescribed form that the Member has duly completed. Members making expense claims must do so in accordance with the provision of the Members Allowance Policy.

U.4 Officers and Members must submit claims monthly. The Director of Finance & Resources will not reimburse claims relating to expenses that were incurred more than three months from the date of submission

U.5 In certifying an Officer's claim, the Director of Finance & Resources will take this to mean that the certifying Officer is satisfied that:

- an appropriate person authorised the Officer's journeys;
- the Officer incurred the expenses properly and necessarily; and
- the allowances are properly payable by the Council.