



**BOROUGH OF
BROXBOURNE**
www.broxbourne.gov.uk

Financial Regulations

November 2019

FINANCIAL REGULATIONS

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GENERAL

The Local Government Act 1972 (Section 151) requires that an employee of the Council is recognised as the responsible finance officer. That officer is known as the Chief Finance Officer (CFO); in the Borough of Broxbourne that officer is the Director of Finance. The Director of Finance has responsibility for the administration of the Council's financial affairs and for the preparation, review and amendment of these regulations. Any ambiguity arising from the interpretation of these regulations will be settled by them.

Financial Regulations set out the internal framework and procedures for financial administration and control within the Council. The Director of Finance will also from time to time issue appropriate guidance on financial procedures and arrangements.

Financial Regulations are applicable at all times and must be adhered to by all officers of the Council and external agencies whilst acting on behalf of the Council, unless specifically exempted by the terms of contracts entered into between those agents and the Council. Financial Regulations should be read in conjunction with the Council's Officer's Code of Conduct and Contract Standing Orders which detail the procurement procedures. Internal Audit can also provide ad-hoc guidance.

Each Director is responsible for making arrangements to ensure that all their staff are aware of and adhere to the Financial Regulations.

Each section of these Financial Regulations is headed by one or more objectives that the rules are designed to achieve. These objectives are used continuously to review and audit the Council's financial systems.

** Throughout these regulations, reference to "Director" or their authorised deputy also refers to the Chief Executive or their authorised deputy.*

Director of Finance refers to the Chief Finance Officer or their authorised deputy.

Cabinet Member for Finance and Business Services also refers to the Cabinet Member with responsibility for finance/budget setting.

1. ACCOUNTING ARRANGEMENTS

Contact Officer: Head of Finance

OBJECTIVES:

To ensure that financial records and systems meet all statutory and corporate requirements and that the financial systems include an adequate level of controls.

[BOB Documentation Retention Policy.doc](#)

1.1 Accounting policies

The accounting policies used in the preparation of the Council's annual accounts and budgets are determined by the Director of Finance and approved by the Audit and Standards Committee.

1.2 Financial records and systems

- All accounting records must be maintained on the Council's corporate financial systems unless authority is obtained from the Director of Finance.
- All systems that form the basis of the Council's financial accounts must be approved by the Director of Finance.
- Each Director is responsible for ensuring that such records and systems are properly maintained and that financial records are complete and accurate and also verify adherence to relevant financial administrative instructions in order to ensure compliance with these Financial Regulations.
- The Director of Finance will be informed of any prospective changes to existing systems or purchases of new systems so that an assessment of controls can be carried out.
- The Director of Finance may instruct that changes be made to records and systems as they deem necessary after consultation with the relevant Director.

1.3 Accounting procedures/duties

The following principles must be observed in the allocation of accounting duties:

- The duties of providing information regarding the sums due to or payments to be made from the Council and of calculating, checking and recording these sums must be separated as completely as possible from the duty of collecting or disbursing them.
- Employees who have the responsibility of examining and checking the accounts of cash transactions must not themselves be engaged in any of these transactions.

1.4 Provision of financial information to the Government and grant claims

Directors must ensure that grant claims are completed in accordance with the format and date prescribed by the external funding agency, and the Accounts and Audit Regulations 2015.

The Director of Finance must be consulted prior to submission to the appropriate Government Department or other body of bids, applications, claims, returns or statements of a financial nature and must be provided with a copy of such returns to ensure that all requests for external funding can be recorded on a central register by the Director of Finance.

Where the Director of Finance's signature is required, adequate supporting documentation and a statement of grant conditions, if appropriate, must accompany the request for authorisation.

It is the responsibility of each Head of Service or Service Area Manager to submit grant claims on time, ensuring that they are appropriately authorised, to ensure that grant monies are received. Any potential delays or problems on specific claims must be notified to the Director of Finance immediately.

1.5 Provision of financial information to the Director of Finance

Directors must provide the Director of Finance with such information as they may require from time to time in connection with the financial administration of the Council in the format and in accordance with the timetable prescribed.

1.6 Reconciliation of separate standalone systems to e5

e5 is the primary accounting system within the Council. Where accuracy of information on e5 is dependent upon appropriate reconciliation with or between separate standalone systems these reconciliations must be carried out on an on going basis, the frequency of which is determined by the Director of Finance. A copy of each reconciliation must be made available on request to the Director of Finance.

1.7 Retention of documents

Financial records, including documentation relating to contracts for work done, services and supplies should only be disposed of in accordance with arrangements approved and amended from time to time by the Director of Finance. Contract records should only be disposed of in accordance with arrangements approved by the Director of Finance.

For further detail and information refer to the guidance:

[BOB Documentation Retention Policy.doc](#)

2. REVENUE BUDGET PREPARATION AND CONTROL

Contact Officer: Financial Services Manager

OBJECTIVE:

To ensure that the Council's annual revenue budget is accurately prepared and approved, and that budgets are controlled and monitored to ensure that estimates are not overspent.

[Concurrence Log](#)

[Concurrence Template](#)

[Virement Request Form](#)

2.1 Budget preparation and approval

Each Head of Service or Service Manager in conjunction with the Financial Services Manager and the relevant Group Accountant must provide the Director of Finance with the necessary budget information for the preparation of the annual revenue budget. Areas of the Council may be designated as a "Trading Account" in accordance with CIPFA guidance and as agreed by the Director of Finance. For these accounts a business plan will be prepared. Such information must be provided in a format prescribed by the Head of Finance and in accordance with a timetable issued annually by the Head of Finance. The Revenue Budget is approved in February each year by the Council.

Income from fees and charges

With the exception of specific provisions in leases or other long term agreements, each Head of Service must review existing charges at least annually. Revised charges will normally take account of forecast inflation. The Director of Finance must be consulted in relation to any proposals to vary the method of charging or to introduce new charges. Where a Director considers it necessary they may seek Cabinet approval to introduce or amend any charges between budget cycles.

2.2 Budgetary control

The budget for each cost centre will have a nominated budget holder as determined by the Financial Services Manager.

Budget holders must review their approved budget on a monthly basis and are responsible for ensuring that appropriate action is taken where a variation to the budget, is projected to occur. This includes submitting virement requests in a timely manner, or preparing an action plan to contain the variation where no immediate virement source can be identified. Group Accountants will assist the budget holders to report their performance against the overall budget position in their service areas as directed by the Head of Finance. Budget holders will ensure that all budget variations (including shortfalls in income) are reported to the Head of Finance as soon as they become apparent.

In addition the Director of Finance has the authority to suspend or withdraw the spending rights of budget holders.

2.3 Reporting requirements

In addition to the formal budgetary control requirements set out above, sound financial management will often be assisted by budget responsibility being delegated to officers within management levels below that of a Director or Head of Service.

For such instances Directors and Heads of Service need to ensure that responsibilities are clear and known, and that information is provided to budget holders to enable them to exercise their budget responsibilities. Details of financial delegation schemes must be supplied to the Director of Finance.

In exercising their responsibilities budget holders will need to regularly consider and review, normally on a monthly basis, a range of information relating to financial performance.

The Head of Finance will provide guidance on the financial reports to be considered by budget holders and which may also be appropriately considered by the Corporate Management Team (CMT).

The Collaborative Planning (CP) system provides information and reporting facilities to assist Directors, their management team, the Financial Services Manager, the Group Accountants and budget holders to monitor and regulate performance throughout the year with the objective of ensuring that approved estimates are not overspent.

Heads of Service and Service Managers are required to report their financial performance against the approved estimates, or business plan, in an appropriate format and in accordance with a timetable laid down by the Financial Services Manager.

The Financial Services Manager is responsible for reporting, to members, the financial performance for the Council as a whole.

2.4 Virements

A virement is a transfer between approved budgets. Proper budgetary control should be exercised but in certain circumstances it may be appropriate to make transfers between services to cover budget variances.

Budget holders must endeavour to finance budget variances by way of a virement, where variances cannot be financed by underspends a virement from the contingency budget should be requested.

Virements will not be permitted for the following:

- from income generated from treasury investments;
- between capital and revenue except where correct accounting treatment stipulates that planned revenue expenditure (e.g. salaries) should be capitalised;
- from government grants and grant aided expenditure to other purposes.

All virements from or to employee costs must be approved by the Director of Finance, all other virements must be made in accordance with the authorisation limits and criteria set out in the table below:

Revenue

Virement Type	Head(s) of Service/Service Manager	Director(s) in consultation with Cabinet Member for Finance and Business Services	Cabinet
Both within and between cost centres within a service area	Up to £20,000	Between £20,001 and £50,000	Over £50,000
Between service areas within the same directorate	Up to £20,000 (approval must be given by both Heads of Service applicable)	Between £20,001 and £50,000	Over £50,000
Between different service areas and different directorates	Up to £20,000 (approval must be given by both Heads of Service if applicable)	Between £20,001 and £50,000 (approval must be given by both Directors)	Over £50,000

Capital

Virement Type	Director	Director of Finance in Consultation with Chief Executive and Cabinet Member for Finance and Business Services	Cabinet
Between capital projects	N/A	Up to £50,000	Over £50,000

Where agreement needs to be sought in consultation with a number of officers and members a concurrence should be raised and recorded on the concurrence log both of which can be found at the link below:

[Concurrence Log](#)

Once approved, details of all virements must be submitted to the Financial Services Manager using a [Virement Request Form](#). The Financial Services Manager will ensure that all approved virements are reflected in the Council's financial management systems (e5 and CP).

2.5 Supplementary estimates

The overall budget position of the Council is determined within a tight budgetary control framework and subsequently approved by the Council. Any proposed expenditure or shortfall in income that was unforeseen when the estimates were prepared and for which there is no provision in the annual revenue estimates or capital programme should wherever possible be financed through the budget virement process (see section 2.3). Supplementary estimates should represent a last option for financing a project or variance. Supplementary estimates provide a mechanism for

amending the approved budget in exceptional and unforeseen circumstances, but bearing in mind that the same rigorous scrutiny or capital justification criteria which applied in preparing the original budget will be applied to any supplementary estimates.

Requests for supplementary estimates must be referred to the Director of Finance who will consider the resource availability and financial implications for the Council. Any requests for a supplementary estimate must be recommended by the Cabinet for approval by Council.

Emergency cases will be dealt with as and when they occur and non urgent matters will be dealt with during the estimate cycle for the following year.

The Financial Services Manager is responsible for ensuring that virements and other budgetary changes are reported to Cabinet.

2.6 Reserves

The Director of Finance is responsible for recommending to Council the adoption of the treatment and level of reserves as part of the Council's budget setting. This is determined in accordance with CIPFA guidance.

3. CAPITAL EXPENDITURE

Contact Officer: Financial Services Manager

OBJECTIVE:

<p>To ensure that the Council's capital programme is accurately prepared and approved and that the programme is controlled and monitored to ensure that estimates are not overspent.</p>
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<p>Capital Bid Form</p>

3.1 Capital programme

Capital expenditure is defined as 'expenditure on the acquisition, creation or enhancement of an asset, providing it will yield benefits to the Council and the services it provides for more than one year'. The Council has set its own de-minimis level of £3,000 for capital expenditure. Expenditure on repairs and maintenance cannot be classified as capital expenditure and must always be treated as revenue expenditure. Feasibility studies cannot be classed as capital expenditure until the outcome of the study is known and it has been confirmed that the project will proceed and the end result will be a completed project. Even then, only those feasibility costs which can be directly attributed to the final project can be classified as capital expenditure.

Each Head of Service or Service Manager is responsible for providing the Financial Services Manager with the necessary information for the preparation of the capital programme in accordance with a timetable and format prescribed. This includes completion of capital bid forms for each project prior to it being considered for inclusion in the capital programme. It is the duty of each responsible Project Manager to monitor and control each capital project, to ensure that approved costs and implementation deadlines are not exceeded.

3.2 Capital bid form

The capital bid form is designed to enable the consistent evaluation of capital bids and to determine priorities. As such, sufficient information must to be provided on the form to enable projects to be appraised on a consistent basis. Project Managers are required, in developing capital schemes, to assess the costs and benefits offered by alternative options. Project Managers are responsible for ensuring that a thorough and realistic review is undertaken of both the future capital and revenue implications of such projects as part of the capital project justification process.

[Capital Bid Form](#)

3.3 Budgetary control

Project managers must review their approved project on a monthly basis to ensure that the project will be delivered on time and on budget. The Finance section will ensure that budgets are not overspent and Project Managers must take appropriate action if where a variation to budget is expected to occur.

3.4 Ad-hoc fully funded projects

When funding from an external source becomes available to carry out a project which is not included in the capital programme and it has been evidenced that the full cost of the project will be funded by this external funding the Director of Finance can give approval for the project to be undertaken.

If the value of the project is greater than £50,000 Cabinet approval must be sought prior to the project commencing.

4. FINAL ACCOUNTS

Contact Officer: Head of Finance

OBJECTIVE:

To ensure that the Council's accounts are accurate and produced in a timely manner.
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Directors, Heads of Service and Service Managers must supply information for the closure of the Council's accounts in accordance with the timetable and accounting principles provided by the Director of Finance to ensure compliance with the Accounts and Audit Regulations 2015 and subsequent amendments. Year end training will be provided to all relevant staff and Directors must ensure that their relevant staff receive this training.

4.1 Debtors

Directors must supply the Head of Finance with information on amounts owing to the Council for goods and services provided by the Council, if these debts are not already reflected in the Council's main financial system, e5, in a form as may be required by the Director of Finance.

Directors must also supply the Head of Finance with information relating to bad and doubtful debts at the year end, for purposes of calculating a provision against these debts.

4.2 Stocks, stores and work in progress

Directors must provide the Financial Services Manager with the value of stocks and stores held on 31 March each year and the value of work in progress at that date. Directors must also provide information to the Head of Finance on the basis upon which such stocks, stores and work in progress are valued, in a form which will be determined by the timetable issued by the Financial Services Manager.

4.3 Creditors

Directors must provide the Head of Finance with information on monies owing to suppliers for the goods and services provided on or before the 31 March each year which have not been paid, in a form as may be determined by the Director of Finance.

4.4 Other balance sheet items

Directors must provide the Director of Finance with the appropriate information on all other balance sheet items (to include receipts in advance and payments in advance) in a form as may be required by the Director of Finance.

4.5 Control accounts

All control accounts must be reconciled by the dates set out in the year end timetable and reported to the Head of Finance.

5. INTERNAL AUDIT

Contact Officer: Head of Internal Audit

OBJECTIVES

The Internal Audit Service, on behalf of the Director of Finance and in accordance with their Terms of Reference, will review, appraise and report on:

- The efficiency, effectiveness and economy of financial and other management controls;
- The extent of compliance with, relevance and financial effect of established policies, plans and procedures;
- The extent to which the Council's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
 - (i) Fraud and other offences;
 - (ii) Waste, extravagance and inefficient administration, poor value for money or any other cause;
- The suitability and reliability of financial and other management data developed within the Council.

5.1 Responsibility of Internal Audit

Internal Audit is responsible for conducting its work in accordance with the Public Sector Internal Auditing Standards (PSIAS). The Directors are responsible for ensuring that appropriate and adequate internal controls exist and to decide whether or not to accept and implement audit findings and recommendations, subject to an assessment of risk and adherence to Council policy and Financial Regulations.

5.2 Scope of Internal Audit activity

The work of Internal Audit embraces the whole system of internal controls, including financial and non financial controls. Internal Audit will:

- Undertake a continuous, systematic and structured review to evaluate the soundness, adequacy and application of the Council's internal control system;
- Review arrangements for securing economy, efficiency and effectiveness in the use of resources;
- Advise and, where appropriate, assist management to investigate suspected cases of fraud, corruption and irregularity;
- Review and advise on the development of systems;
- Provide advice on financial systems, procedures, regulations, corporate governance issues and risk management;
- Contribute to the Council's pursuit of best value.

Internal Audit will prepare a three year strategic audit plan of reviews to be undertaken. This plan will be based on a risk assessment that considers financial materiality and the business risk relating to the Council's objectives.

Internal Audit will have no executive responsibilities. It is not an extension of or a substitute for, the functions of management. Responsibility for internal control rests fully with CMT, who should ensure that arrangements are appropriate and adequate. It is for Directors to accept and implement audit recommendations or to accept the risk resulting from not taking any action.

5.3 Authority of Internal Audit

The Director of Finance or their authorised representative has authority to:

- Enter any Council premises or land at all reasonable times;
- Access all records, documents, data held on computer media, and correspondence relating to all transactions of the Council;
- Require and receive such explanations as are necessary concerning any matter under examination;
- Require any employee of the Council to produce cash, stores or any other property under their control, belonging to the Council or held as part of the employee's duties.

Internal Audit determines its own priorities, in conjunction with the Director of Finance. Accordingly, the Head of Internal Audit has direct access to all senior management including the Chief Executive, and the Audit and Standards Committee. Internal Audit is able to report without fear or favour, in its own name to the Chief Executive, the Director of Finance and the Audit and Standards Committee.

6. FINANCIAL IRREGULARITIES

Contact Officer: Director of Finance

OBJECTIVE

To ensure that suspected instances of financial irregularity are appropriately reported and investigated in a timely manner.

[Anti-Fraud and Corruption Strategy](#)
[Confidential Reporting Policy](#)

6.1 Internal reporting of irregularities

Whenever any matter arises which involves or is thought to involve irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council, it must be immediately brought to the attention of the Director of Finance. Failure to do so is a disciplinary offence. Where the irregularity involves fraud or corruption then the matter must be reported to the Director of Finance for investigation in accordance with the Council's [Anti-Fraud and Corruption Strategy](#)

Any member of staff wishing to report a concern may choose to use the [Confidential Reporting Policy](#) – at appendix 5.

6.2 Reporting to the police

The Director of Finance is required to assess the materiality of each case and determine the appropriate action that should be followed. Any item deemed to be a financial irregularity must also be notified directly the Chief Executive. In any instance where it appears that criminal activity may have taken place it is the responsibility of the Director of Finance, in consultation with the Chief Executive, to decide, as appropriate given the circumstances, whether to contact the police and obtain a crime reference number. Where a break-in or theft (e.g. vehicle, equipment, cash or stock) is suspected, the police must be informed immediately by the respective Director.

6.3 Insurance claims

Details of any irregularities which result in a loss must be notified by Directors to the Council's insurance section as soon as reasonably practical. In order to be able to make an insurance claim, a detailed proof of loss must be filed within six months of the discovery of the loss (or such further period as agreed by the insurer).

7. INCOME

Contact Officer: Head of Finance

OBJECTIVES:

- All income due is identified, recorded and correctly calculated.
- All income due is promptly invoiced (where applicable), collected, banked and accurately accounted for.
- Secure arrangements are made for the collection and retention of money prior to banking.
- Any write-off of income due is valid and properly authorised.
- The most economic, efficient and effective method of income collection is used.
- Controls over income collection and storage comply with insurance requirements.

[Debtor Details](#)

[Sundry Debt Recovery Policy](#)

7.1 Form of receipts

All receipt books must be kept securely and the Cashiers and Payments section will maintain a record of the receipt books issued and the signatures of the recipients.

In respect of the documents referred to above the Head of Finance must approve:

- (i) The arrangements for the ordering and control thereof;
- (ii) The manner in which all receipts and issues thereof are acknowledged and recorded.

The above requirements apply to manual and computerised systems.

7.2 Cash receipting and banking procedures

All monies received on behalf of the Council are to be recorded via the Cash Receipting System or via a feeder system into the Cash Receipting System (e.g. leisure feeder systems). Receipts recorded must include an identifying reference (e.g. receipt number, Council reference or name).

Income should be collected in the most effective and efficient method.

All monies to be banked must be balanced to the Cash Receipting System.

All monies received on behalf of the Council must be properly safeguarded with regard to the Council's insurance arrangements. These state that the Council will keep a complete and an up to date account of money in transit and on the premises.

Any money on Council premises outside business hours should be kept in a locked cabinet or safe, other than the safe used for depositing of money, and the key of such

cabinet or safe shall be removed from the premises out of business hours; or kept with the key holders.

Cash or other negotiable money carryings in transit outside business premises must be escorted as follows:

- By one able bodied adult - up to £2,500
- By two able bodied adults - up to £6,000
- By three able bodied adults - up to £12,500
- By a security company - over £12,500

All cash income received from visitors to the main Council offices should be receipted by a member of the Cashiers and Payments team and secured in the safe. Payment by card may be accepted in the building via the Paye.net system and in line with procedures agreed by the Director of Finance.

All monies received on behalf of the Council must be deposited at such intervals as the Head of Finance approves, into the appropriate bank account.

All monies received on behalf of the Council must be paid directly into a bank, via an external security company.

Where an external security firm is used to collect and deposit income at the bank, an employee must ensure that a receipt is obtained from the security firm as evidence of the transfer.

The cashing of employees' personal cheques out of income received by the Council is strictly forbidden.

Refunds of overpayments must be made through the payments system and not directly from income received. The exceptions are credit card reversals and refunds at leisure facilities when the customer is present and is subject to local refund procedures and limits, processing refunds through the same means as the original payment.

Electronic payments can be taken through hosted systems which are compliant with the latest PCIDSS guidelines. Officers must comply with the latest guidelines and must never retain hardcopy cardholder details.

7.3 Cash overs and unders

Each site which has responsibility for cash handling must maintain a record of all cash overs and unders in a manner approved by the Director of Finance. This record must be reviewed at least every four weeks by the budget holder who will sign the record to evidence this check.

Group Accountants and the Cashiers and Payments Manager, as appropriate, will monitor the level of overs and unders for each site to identify any trends or increasing frequencies and promptly report any level of significant variances in excess of £50 to the Head of Finance for appropriate action to be taken.

7.4 Procedures for emptying cash receptacles

Unless approved otherwise by the Director of Finance, cash receptacles (e.g., parking meters, vending machines, pay telephones) must be emptied with two members of staff in attendance and the cash counted and evidenced accordingly by both persons. Where machines include a 'counter' facility, these should be used in order to reconcile income taken to units sold.

The profitability of vending machines must be monitored and reviewed periodically.

The control of keys for cash receptacles must be in compliance with the requirements of Financial Regulation 15.3.

7.5 Sundry debtor accounts

All income due must be invoiced in a manner approved by the Director of Finance. Unless express permission is given by the Director of Finance, no accounts are to be raised using any system other than the corporate financial management system e5.

All systems and documentation in respect of sundry debtor accounts must be approved by the Director of Finance. The period between the date that the goods or service were provided by the Council and the date of invoice should be kept to a minimum. Accounts must be raised in line with the [e5 system instruction guide for accounts receivable](#).

Where a service provided by the Council is booked in advance, a deposit or full payment in advance should be obtained. The deposit is to be taken by the most appropriate method of payment.

It is the responsibility of Directors to maintain a record of deposits received and to periodically reconcile this to the e5 system.

New debtor accounts must be set up in the prescribed format and only once it has been established that there is no existing debtor account on the system.

Prior to the issue of an invoice, the responsible staff must ensure that the correct debtor details have been obtained, including the correct legal title/name, address, postcode, email address and a contact telephone number. Invoice details must be full and complete including purchase order number and contact details. Attachments must be avoided but where it is necessary then copies of any attachments must be maintained by departments in line with accounting practice and VAT requirements as all invoices are stored electronically.

7.6 Recovery and write-off of debts

Arrangements for the collection of monies due shall be in line with the Council's recovery policies.

[Sundry Debt Recovery Policy](#)

Any arrangements to accept payment by instalments can only be agreed by officers specifically authorised by the Director of Finance.

Where a debtor fails to pay for goods or service invoiced, and unless the Council has a statutory obligation or expressed permission is given by the Head of Finance no further goods or services are to be provided by the Council until the original debt is settled in full.

Instructions for the cancellation or reduction of accounts for income must be approved by the appropriate authorised officer as recorded in the Authorised Signatory List (see Section 10).

A debt may only be written off as irrecoverable on the authority of:

Financial Services Manager	Head of Finance	Director of Finance in consultation with Cabinet Member for Finance and Business Services	Director of Finance and Chief Executive in consultation with Cabinet Member for Finance and Business Services		Cabinet
Up to £1,500 per item	Over £1,500 but less than £5,000 per item	Over £5,000 but less than £20,000	Over £20,000 but less than £50,000		Over £50,000

7.7 Credit notes

Upon receipt, all credit notes must be immediately entered into the e5 system accounts receivable module and offset against the relevant invoice. Where the invoice has been paid previously and where there are no further monies owed to the Council by the debtor, then a refund should be raised.

8. PROCUREMENT OF GOODS AND SERVICES

Contact Officer: Head of Finance

OBJECTIVE:

To ensure that the purchase of goods, services and works is in accordance with current legislation and achieves the best possible value for public money spent.

[Contract Standing Orders](#)

8.1 Basic principles

Purchasing procedures must have the following objectives:

- Achieving the best possible value for public money spent
- Maintaining the highest standards of integrity
- Ensuring fairness in allocating public contracts
- Ensuring compliance with all legal requirements; and
- Supporting the Council's corporate aims

8.2 Contract Standing Orders

The procurement process is governed by the Contract Standing Orders, which all staff are required to adhere to. They are designed to promote good purchasing practice and accountability and provide a framework within which officers can manage the procurement of goods, works and services in a pragmatic and appropriate manner. They link closely with the Council's corporate priorities, which are founded on the guiding principles of achieving value for money and meeting the needs of residents within the resources available. They apply to all areas of the Council's organisational structure, including service organisations and wholly owned subsidiary companies.

The Contract Standing Orders are set within the context of EU and UK legislation and EC Treaty provisions and principles, such as non-discrimination, equal treatment and transparency, which apply generally in the award of public contracts, including those below the EU threshold values. It is therefore important to ensure in all of the Council's procurements that nothing is done which is discriminatory or distorts competition, and that there is a clear audit trail to evidence the decision-making process.

The Contract Standing Orders, and other supporting documents and guidance notes, are held in the [Procurement](#) area of the Council's intranet. Staff are required to familiarise themselves with these documents, attend relevant internal training sessions and, where necessary, seek advice before taking any purchasing action.

9. ORDERS

Contact Officers: Head of Finance, Corporate Applications and Technical Support Officer

OBJECTIVES:

Placing an official order commits the Council to expenditure therefore the objectives of this section are that:

- Only goods and services for the effective operation of the Council can be ordered.
- Only goods and services for which there is sufficient financial provision available can be ordered.
- Orders are placed for goods and services in accordance with the Council's contract standing orders.

[e5 INSTRUCTIONS MANUAL FOR PMS](#)

9.1 Raising of official orders

The e5 system must be used to raise and approve all orders for work to be done or goods supplied. Orders must be raised in accordance with instructions contained within the [e5 INSTRUCTIONS MANUAL FOR PMS](#). No orders can be raised until the Officer responsible for raising orders has received appropriate purchase management system training.

Only in exceptional circumstances should manual orders be raised and these must be approved by the Director of Finance or the Chief Executive. In addition to ensure compliance with Contract Standing Orders, official orders must:

- State quantities where applicable and a complete and clear description of the work or goods;
- State the price or the basis of the price, wherever possible;
- State the period of time the service covers;
- Be consecutively numbered by a unique order number generated by the e5 system.

9.2 Authorising of official orders

All orders raised must be authorised by an employee approved for this duty. Orders must be approved in accordance with the Authorised Signatories List as applied to those specific cost centres for which the officer has budget responsibility (see section 10).

To ensure appropriate segregation of duties, a designated orderer cannot have access rights to both raise and authorise orders.

The authorising of the order is deemed to cover the following matters:

- The goods or services to be purchased fall within the Council's legal powers; and

- There is adequate provision for the cost within the budget or it is covered by special financial provision.

10. PAYMENT OF ACCOUNTS

Contact Officer: Head of Finance

OBJECTIVES:

- Only goods and services which meet the requirement of the order placed are accepted and paid for.
- All invoices are accurately processed and authorised to generate the correct payment on the due date.
- All payments are correctly posted to the revenue and capital accounts.
- Undisputed invoices are paid within the agreed credit terms, or in their absence, within 10 days from the receipt of the invoice.

[New Supplier Forms](#)
[Credit card procedure](#)

Documents referred to in this section may be in an electronic or hard copy format.

10.1 Creditor payment system

The payment of all accounts and amounts due must be made via the e5 system. Before an account for a supplier can be opened a new supplier form needs to be completed and appropriately approved.

[New Supplier Forms](#)

Amounts due must not be paid from income. Budget Holders should seek to maximise the benefit to the Council from credit terms where possible, within the current targets set for prompt payment.

The Council's purchase management system (PMS) is designed to ensure that the correct approvals for coding, budget, etc. are performed at the ordering stage, followed by a check on receipt of goods or services. Invoices are then able to be processed by the Accounts Payable section without any further approval being required.

The following types of transactions are the only items not processed through PMS:

- Treasury transactions
- Grants awarded by the grants panel
- Refunds
- VAT only invoices
- Payroll
- Rent
- Payments made by direct debit or standing order

10.2 Authorisation of orders

The authorisation of an order by the Budget Holder is deemed to cover the following matters:

- Payment is properly the liability of the Council and, in respect of goods or services, these have been properly ordered in accordance with section 8.
- The appropriate deductions have been made for discounts.
- The expenditure has been properly coded.
- The expenditure is within the budget or is covered by special financial provision.
- Where a payment includes VAT, it is in accordance with HMRC regulations. See section 18.4.
- For construction industry payments special rules apply and the tax status of the supplier must be verified before invoices are passed for payment. See section 18.1.

10.3 Credit notes

Upon receipt, all credit notes must immediately be authorised for processing as a credit and entered onto the accounts payable system. The e5 system will automatically suspend payment to a creditor until invoices exceed credit notes.

Exchequer Services staff are responsible for obtaining refunds where a credit note has remained outstanding for more than 28 days.

10.4 Control and monitoring of payments

The Head of Finance, or their authorised deputy, will examine, so far as they consider necessary, accounts passed to them for payment and will be entitled to receive such information and explanations as may be required. If at any time any accounts or payments processed do not comply with the Financial Regulations, they may, after consultation with the respective Director, withhold payment pending further enquiry. The Head of Finance, or their authorised deputy, will pay all accounts which they are satisfied are in order.

Any payments greater than £10,000 to suppliers must be made by BACS.

In accordance with bank requirements, individual BACS payments greater than £10,000 must be counter signed by the Head of Finance or their authorised deputy.

10.5 Payment in advance of receipt of goods or services

Payment in advance for goods or services should only happen in exceptional circumstances. In these circumstances, a proforma invoice must be obtained and retained to be matched to the VAT invoice.

10.6 Corporate credit card

It is recognised that in limited circumstances, officers may need to apply to use the corporate credit card as being the most appropriate form of payment to pay for goods and service. Use of the corporate credit card is administered by the Head of Finance and its use is strictly limited to the following circumstances:

- Where credit card is the only payment method accepted by the service provider (e.g. Magistrates' Court Fees)
- Where use of the credit card secures a discount for the Council On line purchases

Officers must not make purchases with their own credit or debit cards for Council purposes.

A formal procedure for controlling use of the corporate credit card is in place, which requires supporting documentation for each credit card purchase to be passed to the Cashiers and Payments Manager for reconciliation to the Council's bank account. A copy of the procedure and advice in respect of use of the corporate credit card is available from the Head of Finance and can be found at the following link:

[Credit card procedure](#)

Approval of use of the corporate credit card will not be deemed to create a precedent and each application will be considered on its own individual merits.

10.7 Procurement cards

Procurement cards can be used for the purchase of goods or services online, and for use by individual cardholders to make purchases in shops. Their use reduces the processing time and costs associated with processing low value purchases – raising of orders, payment of invoices etc.

The Council has access to a framework agreement with Royal Bank of Scotland for the provision of procurement cards.

Procurement cards are issued to and are the responsibility of designated officers. Control procedures and guidance are in place, both to make clear to cardholders their responsibilities and to enable transactions to be checked and reconciled with the Council's financial systems.

In particular:

- Individual transaction limits and monthly credit limits unique to each cardholder are set up, dependent upon need and line manager authorisation
- Pre-selected merchant category groupings are incorporated that limit the type of goods and services which individual cardholders can purchase with the card
- Procurement cards should not be used to purchase goods or services on behalf of other officers or sections of the Council
- A statement of individual responsibility must be signed by cardholders
- Authorisation of monthly cardholder transaction logs by line managers
- Monthly reconciliation of transaction logs to statements by the Cashiers and Payments Manager
- Cash withdrawals are barred

11. AUTHORISED SIGNATORY LIST

Contact Officer: Director of Finance

OBJECTIVE:

To ensure that financial transactions are approved in accordance with the established hierarchy this incorporates segregation between authorisation roles.

[Link to Authorised Signatory List](#)

11.1 Maintenance of Authorised Signatory List

[Link to Authorised Signatory List](#)

The Director of Finance must be notified of the names of employees authorised to approve accounts for payment and be supplied with specimen signatures. The Director of Finance will maintain a detailed authorised signatory list setting out categories, financial limits and specimen signatures of staff.

Each Director or a different member of staff (not the same employee as the one signing/approving the order or incurring the expenditure authorised by that Director) will be responsible for approving accounts for payment. No employee will sign in any name other than their own.

12. PETTY CASH DISBURSEMENTS (Petty cash floats or any holding of cash)

Contact Officer: Head of Finance, Financial Services Manager

OBJECTIVE:

Appropriate cash imprest procedures are in operation to facilitate and control the purchase of minor items of expenditure.

12.1 Authorisation of cash imprest levels

Petty cash accounts must be maintained on an imprest basis at a level authorised by the Head of Finance. The cash value of each imprest must not exceed the appropriate insurance cover for the particular safe or cabinet used for its safekeeping.

12.2 Payments to be made from cash imprest accounts

Car mileage and subsistence claims must be reimbursed through the payroll system and will not be reimbursed through petty cash. All claims (including mileage claims) for reimbursed must be submitted with a valid VAT receipt.

Petty cash payments must be limited to minor items of expenditure and such individual payments, or a batch of related payments, must not exceed £100. Payments above £100 may in exceptional circumstances be made, provided that these are authorised in advance by the Director of Finance.

Under no circumstances should personal or any other cheques be cashed from any cash float.

12.3 Petty cash procedures

Cash disbursements must be supported by a receipt, showing VAT where appropriate. These receipts must be forwarded with the claim for reimbursement at intervals not greater than one month.

Petty cash funds must be reconciled on a monthly basis. This reconciliation must be checked and evidenced by an independent member of staff.

An annual balance statement certified at 31 March must be submitted to the Financial Services Manager for each service area to be used for year end accounts purposes.

13. SALARIES, WAGES AND PENSIONS

Contact Officer: Personnel and Payroll Manager

OBJECTIVE:

<p>To ensure that payroll and pensions payments are made promptly and accurately and in accordance with current legislation.</p>
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<p>Administration Strategy</p>
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13.1 General payroll procedures

The Personnel and Payroll Manager is responsible for all payments of salaries to all staff, including payments for overtime, and for payment of allowances to members.

The Head of Finance must approve the method of payroll preparation, payment, documents and records to be kept (including retention) and the certificates to be given for payment of wages. Any departures from these procedures must be subject to the prior written approval of the Director of Finance. The Personnel and Payroll Manager is responsible for notifying responsible staff of any changes to the system.

Each Director must ensure prompt notification to the Personnel and Payroll Section of all changes including appointments, dismissals, resignations, absences from duty, transfers, changes in remuneration and recovery of any monies due from employees.

The accounting allocation for the coding of salaries will be provided to the Personnel and Payroll section by the Financial Services Manager.

13.2 Completion of payroll documentation

Directors are responsible for ensuring that sufficient documentation is maintained to enable salaries, wages and expenses to be paid in accordance with contracts of employment, and only to staff employed within approved establishments or estimates. This includes the employment of casual workers.

Time sheets or time recording must be established and maintained where appropriate under the direction of the Director concerned in order that these provide authentication of payments to employees and for the purposes of charging out time allocations.

The Personnel and Payroll Manager will serve or agree a system to provide staff with all necessary notices required under employment legislation or any statutory amendments thereto and any regulations made there under.

13.3 Pensions

The Personnel and Payroll Manager will serve from time to time all necessary notices required under the Local Government Superannuation Acts or any statutory amendments thereto and any regulations made there under. The Personnel and Payroll Manager is responsible for the maintenance, safekeeping and control of all the records relating to income tax, National Insurance and superannuation.

The Personnel and Payroll Section is responsible for all pension administration matters in respect of Borough of Broxbourne employees and must comply with the

requirements of the [Administration Strategy](#) produced by Hertfordshire County Council.

13.4 Distribution of payslips

Each Head of Service or Service Manager must ensure that procedures are in place for the distribution of payslips to ensure that payslips only exist in respect of current and valid employees of the Council.

14. STOCKS AND STORES

Contact Officer: Financial Services Manager

OBJECTIVE:

To ensure that stocks and stores are correctly recorded, held securely and their use appropriately controlled.

14.1 Responsibility and record keeping

Directors are responsible for the care and custody of the stocks and stores in their service areas and the stock control procedures for their specific areas. They may delegate this responsibility to the Heads of Service to establish appropriate stock control procedures and records for the department.

Stock recording systems and controls must be kept in a form agreed by the Head of Finance and the relevant Director.

14.2 Stock levels

Stock must not be kept in excess of normal requirements and it is a departmental responsibility to fix maximum and minimum levels at a level that meets service needs and does not lead to waste.

14.3 Stock checks

The Head of Service or Service Manager responsible for stocks or stores must arrange for regular independent checks on physical stocks against control records, ensuring that all items are checked at least once in every six months.

The Head of Service or Service Manager must supply the Head of Finance with a balance of stock/stores in hand at 31 March of each year, within the timescale and in the format specified.

The Director of Finance is entitled to carry out such checks of records and stocks as are necessary to validate accounting records.

14.4 Disposal and write-off

Stock should be written off from the Council's records when obsolete or no longer held. The approval of a Director is needed to write off stock balances up to £1,000 per annum. The approval of the Director of Finance is required for write offs above this level.

Procedures for the disposal of such stock are to obtain at least two quotations unless following consultation with the Director of Finance it is decided that alternative procedures are appropriate in a particular case.

15. CUSTODY AND SECURITY OF ASSETS

Contact Officer: Director of Finance

OBJECTIVE:

To ensure the effective and efficient management and security of the Council's physical assets

[BOB Documentation Retention Policy](#)

[Working for Broxbourne appendix 31 IT SECURITY POLICY](#)

[PC INTERNET USAGE POLICY](#)

Each Director is responsible for ensuring that secure arrangements are made for the safe custody of land, buildings, cash and other property including that owned by third parties under that Director's control.

15.1 Asset registers

An asset register must be maintained in electronic form and kept up to date by each Service Area for each of the Council's facilities. The asset register must record all equipment, vehicles, plant and any items costing in excess of £3,000 and be reconciled to the Council's corporate fixed asset register, maintained by the Head of Finance, at the 31 March each year.

Corporate asset registers must be maintained by the Maintenance Manager in respect of furniture within the Borough offices and the Director of Finance in respect of ICT equipment, hardware and software. Asset registers must be updated at point of goods delivery/invoice. Deficiencies or surpluses in asset registers must be reported to the Director of Finance. The Director of Finance must be notified of the designated employees who are responsible for the control of the asset registers.

The Director of Finance, through their authorised officer, will at all times have access to all property of the Council in order to audit asset registers.

15.2 Property register

The Head of Property Services maintains a register of all properties owned by the Council in a format approved by the Director of Finance. Details recorded for each property include:

- Purpose for which held
- Location
- Extent and plan reference
- Purchase details
- Particulars of nature of interest
- Rents payable
- Particulars of tenancies granted
- Value

The property asset register is designed to support the property aims, objectives and strategies set out in the Council's Asset Management Plan.

15.3 Custody of keys

Each Director must arrange that authorised members of staff are responsible for the keys of all safes or similar receptacles, and secure locations, and keep a record of the names of such employees. Whilst responsible for the keys, employees must keep the keys on their person and not leave them on the premises. Where it is necessary to transfer keys to another employee e.g. due to shift working or holidays, a record must be maintained showing the signature of both employees. Duplicate keys must be kept by each Director in such a manner as may be approved by the Director of Finance.

15.4 Custody of legal documents

The Head of Legal Services is responsible for the custody of all legal deeds, title deeds, agreements and contract documents. Documents must be retained in compliance with legal requirements.

[**BOB Documentation Retention Policy**](#)

15.5 Security of assets

Each Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, vehicles, furniture, equipment, cash, cheques, tickets, receipt books etc. under their control. Directors must consult the Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Where property is lost/stolen the responsible Head of Service or Service Manager must ensure that the Director of Finance is notified, an insurance claim submitted immediately and the police notified for insurance/security purposes. Any such loss affecting building security must also be notified to the Chief Executive, and the Facilities Manager.

15.6 Vehicles and plant

Each Director must ensure that records are maintained in respect of vehicles or plant under their control in accordance with guidelines in [**Working for Broxbourne appendix 31**](#). Such records must be kept in a manner approved by the Director of Finance and must include details of usage, locations visited, mileage, fuel consumed, repairs and repair costs.

15.7 Information technology security

[**IT SECURITY POLICY**](#)
[**PC INTERNET USAGE POLICY**](#)

Each Director is responsible for ensuring that secure arrangements are made for the physical security of the property in which IT equipment is situated. Directors are also responsible for the management of the data input into systems, the quality of data input into systems, meeting the requirements of the Data Protection Act 2018, the Freedom of Information Act 2000 and other relevant legislation. The Director of Finance is responsible for ensuring that secure arrangements are made for the safeguarding of computer software, hardware and data. Details of these roles and responsibilities are covered by Broxbourne's Computer Security Policy and the PC and Internet Acceptable Use Policy.

The Director of Finance must ensure that all systems and data are removed from computer backup media before disposal.

15.8 Disposal of asset or Council property

Where assets are deemed to be beyond their useful life, or otherwise surplus to requirements, the most appropriate methods of disposal must be agreed with the relevant Director. Normally this will be by obtaining at least two quotations. The disposal of any item exceeding £1,000 in resale value must be authorised in writing by the Director concerned and the Director of Finance.

For all sales of assets, the Director must keep a formal record which includes:

- Why goods/items are to be sold;
- Method of choosing purchaser, including details of all quotes;
- Approval of the respective Director;
- Details including supporting back up to the Head of Finance for update of the asset register.

Where surplus office furniture and equipment has become available the Maintenance Manager must first be consulted prior to external sale as the goods may be effectively reallocated within the Council.

The approval of the Director of Finance is required before the sale of any leased asset.

The Treasury, Insurance and Risk Manager and Head of Finance should be notified of all assets which have been disposed of and the disposal proceeds received.

16. TREASURY MANAGEMENT

Contact Officer: Treasury, Insurance and Risk Manager

OBJECTIVES:

- **Borrowing and investment processes are carried out as efficiently and economically as possible.**
- **All investment and borrowing is valid, accurate, properly accounted for and in accordance with statutory requirements and professional guidance.**

[Treasury Management Policy Statement](#)

16.1 Treasury management policy and practices

The Council has adopted the key recommendations of CIPFA's "Treasury Management in the Public Services: Code of Practice" (the Code), as described in Section 5 of that Code. Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:

- (i) A [Treasury Management Policy Statement](#) stating the policies, objectives and approach to risk management of its treasury management activities; and
- (ii) Suitable treasury management practices (TMP's), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

16.2 Approval and reporting arrangements

The Council will receive reports on its treasury management policies, practices and activities, including, at a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.

16.3 Implementation, monitoring and administration arrangements

The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Director of Finance, who will act in accordance with the Council's policy statement and TMPs and the CIPFA Code of Practice on Treasury Management in the Public Services.

16.4 Scrutiny arrangements

The Council nominates the Audit and Standards Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

16.5 Responsible officer

All money in the hands of the Council must be under the control of the officer designated for the purpose of Section 151 of the Local Government Act 1972 referred to in the Code as the Responsible Officer. For Broxbourne, the Director of Finance is the designated Responsible Officer.

16.6 Guarantees

The power to give guarantees in the Council's name can be exercisable only by the Director of Finance.

17. BANKING ARRANGEMENTS

Contact Officer: Head of Finance

OBJECTIVE:

To ensure that the responsibilities in respect of all of the Council's banking arrangements are clearly communicated to officers

17.1 Banking arrangements

The Head of Finance is responsible for setting up and maintaining all of the Council's banking arrangements, which includes hosted services. Any proposals to set up new financial arrangements or amend existing ones must be approved by the Director of Finance beforehand.

17.2 Council bank accounts

The Director of Finance must make arrangements regarding the opening and operation of all the bank accounts and use of banking services relative to the Council and they must be in the name of Borough of Broxbourne. No employee is permitted to open a bank account in connection with Council business without the express approval of the Director of Finance. The Director of Finance is responsible for all negotiations of banking terms with the Council's bankers.

17.3 Electronic payment systems

Where payments are to be transmitted electronically, the Director of Finance must approve the necessary arrangements to safeguard the Council against potential loss.

17.4 Direct debits

The Head of Finance must approve all direct debits set up to make payments from the Council's bank accounts.

17.5 Cheques

The ordering, security and issue of cheques is controlled by the Head of Finance. Cheques must bear the printed facsimile signature of the Director of Finance. Where the cheque amount exceeds £10,000, the cheque must be counter-signed by a second bank signatory.

17.6 Bank reconciliation

The Head of Finance is responsible for ensuring that a monthly reconciliation between the Council's bank account and the e5 financial system is performed and the reconciliation is independently reviewed and signed off in a timely manner.

18. TAXATION

Contact Officer: Head of Finance

OBJECTIVE:

To ensure that the Council correctly accounts for and makes payment of Income Tax, National Insurance and VAT to the relevant Government department.

[Which VAT Code chart](#)

[Which VAT Code chart \(employee expenses\)](#)

[New VAT Book](#)

18.1 Construction Industry Scheme

The scheme is administered by the Head of Finance. Under the Construction Industry Scheme, it is the responsibility of the Council to check whether each contractor used by the Council for repairs and maintenance works is registered under the scheme and make the appropriate deductions for taxation. Advice on whether a particular type of repair work is covered by the scheme can be obtained from the Head of Finance.

Where works are covered by the scheme, the employing section must check that the contractor is registered under the scheme and obtain their unique reference number (UTR) and company registration number (for limited companies) or National Insurance number (for individuals). The Cashiers and Payments Manager will obtain a verification number from HMRC along with instructions for deducting taxation from payments to the contractor.

The Head of Finance is responsible for making monthly returns to HMRC on construction industry deductions.

18.2 Pay as you earn (PAYE) and national insurance contributions

The Personnel and Payroll Manager must ensure that the Inland Revenue guide to PAYE and further guidelines that are issued from time to time are adhered to at all times. Failure to operate PAYE at the correct time and in the correct situation may result in the Council:

- (i) Having to pay the Inland Revenue the tax that should have been deducted; and
- (ii) Being liable for penalties and interest.

The Personnel and Payroll Manager will decide with reference to HMRC guidelines whether a new 'employee' qualifies as self-employed or is trading as a Limited Company and therefore not subject to PAYE. Where in doubt, the Personnel and Payroll Manager will operate PAYE.

The Personnel and Payroll Manager must be consulted where a Director is unsure as to the PAYE/NI treatment of a given payment.

In line with The Asylum and Immigration Act 1996, it is the responsibility of the Personnel and Payroll Manager to ensure that all new employees provide a National Insurance number.

18.3 Expenses, payments and benefits in kind

It is the responsibility of the Personnel and Payroll Manager to carry out negotiations with HMRC to obtain/maintain dispensations (i.e. routine expenses, payments and benefits that would involve no extra tax liability) granted by the Inland Revenue and PSAs (PAYE Settlement Agreements) for items not covered by dispensation and where tax is paid by the Council rather than reported on a P11d).

It is the responsibility of Directors to ensure that agreed criteria and limits included within the dispensation are not broken. Where the nature of the payment or benefit or level of payment is changed, details must be immediately sent to the Personnel and Payroll Manager.

At the end of each tax year and within time limits set by the Head of Finance, each Director must report to the Personnel and Payroll Manager all expenses payments/benefits not covered by a dispensation and made available to any employees during the previous income tax year.

Before introducing new benefits, it is the responsibility of the Personnel and Payroll Manager to contact HMRC with details in order for the potential tax implications to be considered and appropriate action taken (e.g. dispensation or PSA).

18.4 Value Added Tax

Directors, Heads of Service and Service Managers, must adhere to guidelines on specific supplies and it is their responsibility to ensure that the correct VAT coding is used. If they are in any doubt as to what this should be they should direct their queries in the first instance to the Systems and VAT Accountant.

[Which VAT Code chart](#)

[Which VAT Code chart \(employee expenses\)](#)

[New VAT Book](#)

Each Head of Service and Service Manager is responsible for applying VAT correctly and in a timely manner, and coding it correctly in the e5 system. Detailed guidance is available from the Group Accountants who will, if necessary, seek advice from the Director of Finance.

19. RISK MANAGEMENT AND INSURANCE

Contact Officer: Treasury, Insurance and Risk Manager

OBJECTIVES:

- To embed risk management within the policies and practices of the Council;
- To manage risk in accordance with best practice;
- To ensure that all parties understand their roles and responsibilities and contribute to risk management;
- To ensure that the Council successfully manages risks and opportunities at a corporate, operational, project and partnership level;
- To aid achievement of the Council's strategic objectives, to prevent injury and damage and reduce the cost of risk.

19.1 Policy

The Director of Finance is responsible for formulating a Risk Management Policy, which is presented to the Audit and Standards Committee.

19.2 Insurance arrangements

The Director of Finance will advise the Cabinet on proper insurance cover where appropriate. The Treasury, Insurance and Risk Manager will effect all insurance cover, negotiate all claims and maintain necessary records. The Treasury, Insurance and Risk Manager will include all employees of the Council in a suitable fidelity guarantee insurance policy.

The Director of Finance must review insurance arrangements continuously in order to ensure that cover is adequate in the light of existing circumstances.

19.3 Responsibility

Heads of Service and Service Managers are responsible for the effective management of risks within their areas and must give immediate notification to the Director of Finance of:

- (i) New or additional risks that come to their knowledge together with full details of the insurance cover required, if any.
- (ii) A correct description and valuation of any newly acquired property.
- (iii) Alterations or revaluations affecting existing insured items.
- (iv) Any claims made against the Council.
- (iv) All losses of Council property and/or equipment.
- (vi) Any incident which may result in damage to Council property and/or equipment.

GLOSSARY OF TERMS

Authorised Officers

For the purposes of these regulations, Authorised Officers are defined as the Chief Executive, Directors and Heads of Service.

Budget

A statement defining the Council's policies over a specified period of time in terms of finance.

Capital Receipts

The proceeds from the disposal of land or other assets. Capital receipts can be used to finance new capital expenditure within rules set down by central Government but they cannot be used to finance revenue expenditure.

Contingency

Money set aside in the budget to meet the cost of unforeseen items of expenditure or shortfalls in income.

Council Tax

The main source of local taxation to the Council. Council tax is levied on households and the proceeds are paid into the Collection Fund for distribution to precepting authorities (i.e. the County Council and the Police Authority) and for Broxbourne's General Fund expenditure.

External Audit

The independent examination of the activities and accounts of the Council to ensure:

- that records have been prepared in accordance with legislative requirements and proper accounting practices;
- that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Fees and Charges

Income raised by charging users of services for the facilities of the Council (e.g. leisure, commercial waste collection).

Director

The officer who has responsibility for a group of service areas.

Head of Service

The officer who has responsibility for each service area.

Internal Audit

An independent appraisal function established by the Council to review internal control systems. It objectively examines, evaluates and reports on the adequacy of controls as a contribution to the proper economic, efficient and effective use of resources.

Service Organisation (SO)

An organisation set up by the Council to provide leisure services.