



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

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1. GENERAL

1.1 Notice to All Employees

- (i) These Financial Regulations provide the framework of controls and standards necessary to achieve the proper administration of the Council's financial affairs. Financial Regulations are designed to safeguard the interests of the Council, its Members and its employees. They apply to all elected members (Members), employees, and temporary and agency staff and to all transactions of the Council.
- (ii) All Members and officers have a responsibility for taking reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- (iii) The Council expects the highest standards of financial probity from its officers and Members. The Section 151 Officer may report any breach of Financial Regulations to Cabinet or if sufficiently serious, direct to full Council. Any failure to comply with these Regulations may result in action being taken in accordance with the Council's disciplinary procedures or in the case of Members referred to the Audit and Governance Committee. If you have any doubt on their meaning or interpretation, it is advised that you contact the Section 151 Officer.
- (iv) It is the responsibility of officers to ensure that they have the necessary knowledge of the Council's Financial Regulations to enable their duties to be undertaken to meet the requirements of these regulations.
- (v) These Financial Regulations supersede all previous versions.
- (vi) If after reading these regulations you require further guidance or clarification, or if you are not sure how best to comply with the regulations then please contact your Line Manager, Financial Services or the Head of Internal Audit.

2. INTRODUCTION

2.1 Complementary Factors

2.1.1 These Financial Regulations form part of the Constitution and are complementary to:

- (i) Any current or future legislation, and shall not be considered to over-ride any such legislation affecting the functions of the Council;
- (ii) The Council's Standing Orders;
- (iii) The Council's Contract Procedure Rules;
- (iv) Any EU Public Procurement Directives;
- (v) The Codes of Conduct for Members and Officers;
- (vi) The Information Technology Regulations (for all matters relating to Information

Technology).

- (vii) The Council's Anti-Fraud Strategy.
- (viii) The Council's Guidance for Dealing with Irregularities.
- (ix) The Council's Whistleblowing Policy.
- (x) Appropriate Guidance Notes issued by the Section 151 Officer

2.1.2. The above documents shall be considered to have the force of financial regulations for all their related matters. This shall also include any related subsidiary regulations.

2.2 **Financial Implications of Proposals and Reports to Members**

2.2.1 No item having financial consequences shall be placed on a Council, Cabinet or Committee agenda without obtaining the financial implications and reference number from the Section 151 Officer. Any report containing new proposals shall include an independent financial assessment by the Section 151 Officer. This extends to all reports tabled at the Council's Senior Leadership Team (SLT).

2.2.2 In general, reports requiring comments of the Section 151 Officer shall be presented to the Financial Services Business Unit a minimum of 3 working days prior to the publication of the agenda for the agenda meeting for the relevant Council, Cabinet or Committee meeting.

2.2.3 Where there are significant financial implications it is a requirement that the Financial Services Business Unit will be involved in the development of the proposals.

2.3 **Availability**

2.3.1 A copy of these Financial Regulations shall be made available to Members, Officers and members of the public at all reasonable times.

2.4 **Compliance**

2.4.1 SLT and Business Managers shall be responsible for ensuring that these Financial Regulations are complied with and are available to all employees within their areas of responsibility.

3. **DEFINITIONS**

3.1 **Terms**

- (i) The term Council shall be deemed to include reference to Cabinet, Portfolio Holders or Officers acting in accordance with delegated authority on behalf of the Council.
- (ii) Where legislation and regulations are referred to in these Financial Regulations, they are deemed to refer to the latest statutory and regulatory requirements.
- (iii) The term Chief Executive relates to the Head of Paid Service for the Council.
- (iv) The term Section 151 Officer relates to the Director – Resources/Deputy Chief Executive (the Responsible Financial Officer). This is a statutory officer appointed by Full Council to have responsibility for the financial affairs of the Council as required by Section 151 of the Local Government Act 1972.

- (v) The term Deputy Section 151 Officer relates to the officer nominated by the Section 151 Officer to undertake the Section 151 responsibilities in the absence of the Section 151 Officer.
- (vi) The term Director relates to Corporate Directors, who form the Strategic Leadership Team (SLT).
- (vii) The term Monitoring Officer relates to the officer appointed by the Council as required by the Local Government Housing Act 1989.
- (viii) The term Duly Authorised Officer relates to an officer with delegated authority from the relevant Business Manager.
- (ix) The term Head of Internal Audit relates to the officer appointed by the contractor in consultation with the Section 151 Officer.

4. LEGAL RESPONSIBILITIES

4.1 Local Government Act 1972 Section 115 - Legal Responsibilities of Officers

4.1.1 Officers employed by the Council have a legal responsibility under Section 115 of the Local Government Act, which states that:

“Every Officer employed by a Local Authority, whether under this Act or any other enactment, shall at all times during the continuance of his office, or within three months after ceasing to hold it, and in such manner as the Local Authority directs, make out and deliver to the Authority, or in accordance with their directions, a true account in writing of all money and property committed to his charge, and of his receipts and payments, with vouchers and other documents and records supporting the entries therein, and a list of persons from whom or to whom money is due in connection with his office, showing the amount due from or to each”.

4.1.2 Every such officer shall pay all money due from him/her to an officer designated by the Section 151 Officer or in accordance with their directions.

4.2 Local Government Act 1972 Section 117(1) & (2) - Disclosure by Officers of Pecuniary Interest in Contracts.

4.2.1 Staff involved in contract and purchasing procedures shall be aware of the provisions of section 117(1) of the Local Government Act 1972 concerning the disclosure by officers of pecuniary interests in contracts. This provides that “if it comes to the knowledge of an officer employed whether under this Act or any other enactment by a Local Authority that a contract in which he/she has a pecuniary interest, whether direct or indirect, (not being a contract to which he/she is a party), has been or is proposed to be entered into by the Authority, he/she shall, as soon as practicable, give notice in writing to the Authority of the fact that he/she is interested therein”. An indirect pecuniary interest for these purposes is as follows:

- (a) If the officer or any nominee of the officer is a member of a company or other body with which the contract was or is proposed to be made.
- (b) If the officer is a partner or is in the employment of a person with whom the contract is, or is proposed to be made.

- (c) In the case of married persons or partners, the interests of one partner, if known to the other, is deemed to be the interest of the other spouse.

Appropriate officers will be required to complete a declaration form covering any related third party transactions on an annual basis.

The clause above shall also refer to contracts relating to either of the Council's wholly owned companies Active4Today Ltd and Arkwood Developments Ltd.

- 4.2.2 Section 117(2) states that "an officer of a Local Authority shall not under colour of his office or employment, accept any fee or reward whatsoever, other than his proper remuneration".

- 4.2.3 Any Officer who has any direct or indirect pecuniary interest in any contract, or is offered any fee or reward, whether or not it is accepted, shall notify the Chief Executive, who shall enter such details into a central register maintained for such purposes. Any person who fails to comply with Section 117(1) and (2) may render themselves liable to a fine.

- 4.2.4 Section 117(4) states that "References to a local authority shall include references to a joint committee appointed under part VI of the Act or any other enactment".

4.3 Local Government Act 1972 Section 151 - Officer Responsible for Financial Administration.

- 4.3.1 Under Section 151 "every Local Authority shall make arrangements for the proper administration of their financial affairs, and shall secure that one of their officers (who in accordance with the Local Government and Housing Act 1989 (Section 6 paragraph 3) must be a member of one or more of the Accountancy Bodies specified in the Act), has responsibility for the administration of those affairs".

- 4.3.2 The Council has appointed the Director – Resources/Deputy Chief Executive as the Section 151 Officer (the Responsible Finance Officer). Under the Accounts and Audit Regulations 2006, the Section 151 Officer is responsible for determining the accounting systems and the form of accounts and supporting records. This officer shall also ensure that all such determinations are observed, and that the accounts and supporting records are kept up to date.

4.4 Local Government Finance Act 1988 Section 114 - Reporting under Part VIII: Responsibility of the Section 151 Officer.

- 4.4.1 A requirement is placed upon the Section 151 Officer by Section 114(1) of the Local Government Act 1988 to make a report to the Council in certain circumstances where there is the possibility of an illegal payment, or of spending exceeding resources available.

- 4.4.2 Making a report falls under two Sections. Section 114(2) states that the Section 151 Officer is required to decide that an act or omission is or could be unlawful.

- 4.4.3 Under Section 114(2) the duty to send the report starts a "21 day clock" whereby the Council is required to hold a meeting within this time and until this is done, must

refrain from the course of action reported.

4.4.4 Section 114(3) requires the Section 151 Officer to issue a report in cases of an unbalanced budget - real or potential. This report is also subject to the procedure described in 4.4.3 above.

4.4.5 In the absence of the Section 151 Officer the duties referred to at 4.4.1 to 4.4.4 shall be performed by the officer acting as the Deputy Section 151 Officer.

5. RESPONSIBILITIES/REGULATORY ROLES

Council

5.1.1 Council is responsible for setting the Council's annual General Fund Budget and Council Tax.

5.1.2 Council is responsible for the setting of the Council's Housing Revenue Account (HRA) budget and the annual rent.

5.1.3 Council is responsible for approving the Council's Medium Term Financial Plan and the 30 year HRA Business Plan.

5.1.4 Council is responsible for approving the Treasury Strategy, Investment Strategy and Capital Strategy.

5.1.5 Council is responsible for setting the Capital budgets for both the General Fund and the HRA.

5.2 Cabinet

5.2.1 Cabinet are responsible for monitoring the in-year forecast outturn against the budget as part of the performance framework.

5.2.2 To recommend to Council the annual General Fund and HRA budgets for consideration and approval.

5.2.3 To recommend to Council the Medium Term Financial Plan for consideration and approval.

5.2.4 To recommend to Council the HRA 30 year Business Plan for consideration and approval.

5.2.5 To recommend to Council the Capital Programme for both the General Fund and the HRA.

5.3 Audit and Governance Committee

5.3.1 The Audit and Governance Committee are responsible for the approval of the Annual Statement of Accounts.

5.3.2 To recommend to Council the Treasury Strategy, Investment Strategy and Capital

Strategy.

5.4 Section 151 Officer

- (i) Under Section 151 “every Local Authority shall make arrangements for the proper administration of their financial affairs, and shall secure that one of their officers (who in accordance with the Local Government and Housing Act 1989 (Section 6 paragraph 3) must be a member of one or more of the Accountancy Bodies specified in the Act), has responsibility for the administration of those affairs”.
- (ii) Under the Accounts and Audit Regulations 2006 (as amended), the Section 151 Officer is responsible (under the control and general direction of Cabinet and in accordance with the Accounts and Audit Regulations 2006 (as amended)) for the accounts and finances of the Council, including determining the accounting systems and the form of accounts and supporting records. This officer shall also ensure that all such determinations are observed, and that the accounts and supporting records are kept up to date.
- (iii) The Section 151 Officer shall have regard to any statutory guidance issued by the appropriate Secretary of State and professional guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- (iv) The Section 151 Officer shall advise the Council on all financial matters.
- (v) The Section 151 Officer shall present annually to the Council detailed estimates of the Council's income and expenditure for the following financial year and shall provide a risk assessment of the Council's proposed budget.
- (vi) The Section 151 Officer shall also present to the Audit and Governance Committee, after the close of each financial year, a Statement of Accounts in accordance with the latest Accounts and Audit Regulations. The Accounts of the Council shall be submitted to the Council's External Auditor.
- (vii) Under the Accounts and Audit Regulations 2006 (as amended), the Council is responsible for maintaining an adequate and effective system of Internal Audit covering financial and all other operations of the Council and also require any Officer or Member of the Council to make available such documents as appear necessary for the purpose of the audit together with such information and explanation considered necessary for that purpose. This function is discharged through the Section 151 Officer together with The Senior Leadership Team.
- (viii) The Section 151 Officer shall periodically present to Cabinet and the Audit and Governance Committee, budgetary control statements showing performance against the approved estimates of revenue expenditure and income. The appropriate Business Manager will report on any major variances from planned budget performance.
- (ix) Notwithstanding the information available on the on-line Financial Information System, the Section 151 Officer shall supply to Business Managers, by arrangement, such cost and other financial statements as may reasonably be required in the interests of financial control and general management. The

production of additional financial and statistical information shall also be maintained, as considered necessary by the Section 151 Officer, to provide efficient overall management control.

- (x) The Section 151 Officer, in consultation with SLT, shall review the Financial Regulations periodically and shall have regard to their relevance and practical application in changing circumstances. A motion to add to, vary or revoke these Financial Regulations shall, unless the addition, variation or revocation has previously been considered by Cabinet, stand adjourned to the next meeting of the Council when the motion shall proceed whether or not it has been considered.

5.5 Internal Audit

- 5.5.1 The Council will comply with the current Accounts and Audit Regulations, the Public Sector Internal Audit Standards and the CIPFA Code of Practice for Internal Audit in Local Government and shall maintain an adequate and effective system of Internal Audit of the accounts and other operations of the Council.
- 5.5.2 The Head of Internal Audit shall be responsible for the operation of the internal audit function, agreed with the Section 151 Officer covering financial and all other operations of the Council and value for money studies as required, considering the efficient, effective and economic use of resources. The Head of Internal Audit shall periodically report to SLT and the Section 151 Officer and will provide reports to the Audit and Governance Committee on progress made concerning on-going investigations and reviews and audits completed.
- 5.5.3 The Section 151 Officer or his authorised representative shall have authority for the purpose of the Internal Audit function to:
 - (i) Enter any Council premises or land at all reasonable times.
 - (ii) Have access to all records, documents, files (including information held electronically) and correspondence relating to any financial and other business of the Council which the Section 151 Officer considers necessary to fulfil his duties under S151 of the Local Government Finance Act 1972. No record shall be removed by audit staff without notification to the appropriate Business Manager, or relevant senior officer. This authority also shall apply to all records, documents and files maintained by any subsidiary of the Council, and the Mansfield & District Crematorium.
 - (iii) Require and receive such explanations as are necessary concerning any matter under examination, and
 - (iv) Require any employee of the Council to produce cash, stores or any other Council property under his control.
- 5.5.4 Each Director or Business Manager is responsible for ensuring that action is implemented in response to Internal Audit's agreed recommendations in accordance with the agreed timescale. Where an Internal Audit recommendation is not accepted a written explanation and acceptance of the consequent risk must be provided by the Business

Manager and reported to the Section 151 Officer. Such an explanation may be reported to the Audit and Governance Committee.

5.5.5 The Section 151 Officer, or his nominated officer shall:

- (i) Approve any new systems for the maintenance of financial records, or records of assets or any changes to such systems.
- (ii) Be notified by Business Managers of any plans for transferring staff duties in order to allow for the examination of the implications as regards internal control (e.g. authorisation, separation of duties etc.)

5.6 **Business Managers**

5.6.1 In addition to the general responsibilities described elsewhere in this document, Business Managers will be responsible for certifying on an annual basis the necessary requirements to enable the Section 151 Officer to complete the Council's Annual Governance Statement and Letter of Representation to the Council's External Auditor.

6. **FINANCIAL MANAGEMENT**

6.1 **Financial Consultation**

There will be consultation between Business Managers and the Section 151 Officer, or his/her delegated officers from the Financial Services Business Unit, on any matters concerning the following:

- (i) Preparation and submission of estimates of Council expenditure and income.
- (ii) Preparation of estimates for any external body or partnership e.g. County Council, Government Departments etc., the purpose being the adequacy and accuracy of the estimates.
- (iii) It will be the responsibility of the relevant Business Manager to ensure that any report presented to Cabinet or any other constituted party of the Council or to the Council which has financial implications shall include the Section 151 Officer's observations (See Section 2.2).
- (iv) Proposals for and methods of financing specific expenditure not included in the approved estimates, together with means of approval for such expenditure where this is not otherwise stipulated.
- (v) Proposals to reduce or cancel income included in approved estimates.
- (vi) Applications, bids or submissions by the Council for grant aid or any external funding or spending power from outside bodies. Consultation must take place before submitting any such proposal to an outside body.
- (vii) Proposals to enter into any joint working arrangement with another local authority or other partner.

No financial matter under headings 6.1 (i) to (vii) above shall be concluded **without consultation with the Section 151 Officer**.

6.2 **Financial Planning and Control**

A major project, as defined by the Council's Senior Leadership Team (SLT), cannot proceed until a project plan is submitted to SLT and approval is received, followed by approval from Members where appropriate.

6.2.1 **Process for Developing the General Fund and HRA Revenue Budget**

The process for developing the budget is set out as part of the Budget Strategy reported to Cabinet each year.

6.2.2 **General Fund and HRA Revenue Budgetary Control**

6.2.2.1 Business Managers are responsible for monitoring and regulating the financial performance of their appropriate service throughout the financial year using the Council's online financial management system and performance information provided by the Section 151 Officer. Where budgets are delegated to Budget Holders they are charged with the same responsibility.

6.2.2.2 The Section 151 Officer will provide performance monitoring information on a monthly basis.

6.2.2.3 Cabinet will receive a consolidated report detailing the whole Council performance quarterly. This will also be presented to the Audit and Governance Committee and the Policy, Performance Improvement Committee.

6.2.2.4 Where it appears that the amount included under any head of the approved budget is likely to be exceeded or the budgeted amount of income under any head is unlikely to be reached then budget officers are required to find savings elsewhere in their budget. Variations over £100,000, where savings cannot be identified, the Business Manager must consult with the Section 151 Officer and ultimately take a report to Cabinet.

6.2.2.5 The Section 151 Officer shall be entitled to receive from each Business Manager such information as he/she requires in relation to the annual amount of income achieved and expenditure incurred for inclusion in the Council's annual Statement of Accounts.

6.2.2.5 The Section 151 Officer shall report to the Audit and Governance Committee and Cabinet on the accounts of each financial year as soon as is practicable, and in accordance with the Accounts and Audit Regulations applicable at the time.

6.2.3 **Capital Estimates**

- (i) New schemes must be accompanied by the appropriate Appraisal forms, and will by an agreed date, be scored together to form a list to be approved by SLT before proceeding to the committed Capital Programme (to be approved by Council).
- (ii) Cabinet Portfolio Holders may, via the Director of the service, recommend capital schemes to Cabinet for inclusion within the Council's Capital Programme. Any

schemes that are recommended, must go through the process detailed at 6.2.3 (i) prior to being included within the committed capital programme.

- (iii) In November each year SLT will review a list of proposed schemes for inclusion in the Cabinet report for the February meeting together with capital financing proposals.
- (iv) Cabinet shall consider any recommendations arising from consultation with Members and will submit recommendations to the Council for the approved Capital Programme for the following four years, or such other period as the Section 151 Officer advises.
- (v) The Council shall in February for the HRA and March for the General Fund, of each year, by simple majority, determine the Council's Capital Programme, having considered the proposals recommended by Cabinet.
- (vi) Following approval of the Council's Capital Programme the appropriate Business Managers are authorised to incur expenditure in respect of all schemes included in the committed Capital Programme unless otherwise directed by Cabinet or the Section 151 Officer.
- (vii) The Section 151 Officer is authorised to arrange the financing of the Capital Programme so as to maximise the resources available to the Council, having regard to the provisions of the Local Government and Housing Act 1989 or subsequent relevant legislation.
- (viii) The Section 151 Officer is authorised to make any necessary adjustments to the Capital Programme that arise at year-end due to slippage and report these retrospectively to Cabinet.
- (ix) Any favourable variances identified within the approved committed Capital Programme must be reported to Cabinet. Any internal funding that has not been required will therefore be available for funding other capital schemes.
- (x) No third party funding or grant aid may be accepted where matched funding is required until the source of the matched funding has been identified and approved by the Cabinet
- (xi) Any scheme involving matched funding that is not received must be reported to Cabinet for consideration of whether additional funding should be allocated in order to continue with the scheme.
- (xi) The Section 151 Officer will report periodically to Cabinet on any variations to the Capital Programme for approval.
- (xii) The Section 151 Officer is required to take all necessary steps to implement the committed Capital Programme and is authorised, in the event of slippage, to bring forward schemes from the following year provided that this does not increase the total commitment and that such changes are reported to Cabinet retrospectively.

- (xiii) No schemes worth less than £15,000 will be added to the Capital Programme as the Council's de minimus limit is set at £15,000 in line with paragraph 9.5.4.
- (xiv) In-Year additions to the Capital Programme will need to be approved by Cabinet.

6.2.4 **General Fund and HRA Capital Programme Monitoring**

- 6.2.4.1 The monitoring of the overall Capital Programme, with regard to the monitoring of funding, progress, variations, amendments etc. is the responsibility of the Section 151 Officer who can delegate to an appropriate working group.
- 6.2.4.2 Regular reports will be made to Cabinet on the overall progress of the Capital Programme.
- 6.2.4.3 It is the individual Business Manager's responsibility to exercise control over any capital schemes within their remit and to report any possible significant variations which may arise to the Section 151 Officer.

6.3 **Variation of Estimates – General Fund and HRA Revenue**

- 6.3.1 The object should be to avoid the transfer of estimates and this is best achieved by sound and detailed estimating together with the accurate coding of expenditure during the year in accordance with the provisions made.
- 6.3.2 Where it is desired to transfer funds between budget cost headings, the following procedure shall be adopted and the Financial Services Business Unit is informed in every case, to effect the necessary amendments in the Council's Financial Management System:
 - a) **Where the transfer of budget is managed within a cost centre**, this can be approved by the Business Manager.
 - b) **Where the transfer of budget is within more than one cost centre within a Business Unit**, this can be approved by the Business Manager up to an annual cumulative limit of £25,000. Between £25,000 and £50,000 this should be approved by the Director responsible for the Business Unit in consultation with the S151 Officer.

Cumulative transfers from a cost centre in excess of £50,000 up to £100,000 should be approved by the relevant Portfolio Holder(s) of the service in consultation with the relevant Director and the s151 Officer.

Any transfers above £100,000 should be approved by the Portfolio Holder for Finance in consultation with the relevant service Portfolio Holder(s) and the s151 Officer (having also been approved by the relevant director).

- c) **Where the transfer of budget is between Business Units within a Directorate**, this can be approved by the relevant Director up to a cumulative limit of £50,000 in consultation with the S151 Officer.

Cumulative transfers within a Directorate, between Business Units in excess of £50,000 up to £100,000 must be approved by the Portfolio Holder for Finance in

consultation with S151 Officer (having been previously approved by the relevant Director).

Any cumulative transfers in excess of £100,000 must be approved by Cabinet.

- d) **Where the transfer of budget is between Directorates**, up to £50,000 this can be approved by the relevant Directors, in consultation with the S151 Officer.

Between £50,000 and £100,000 this must be approved by the Portfolio Holder for Finance in consultation with the S151 Officer and the relevant Directors.

Any individual request above £100,000 must be approved by Cabinet (having been previously approved by the relevant Directors and the S151 Officer).

6.3.3 **Use of Reserves.** Where it is desired to add funds to the revenue account from earmarked reserves, the following procedure shall be adopted and the Financial Services Business Unit informed in every case, to effect the necessary amendments in the Council's Financial Management System:

- a) **Where the transfer of budget is up to £50,000 and the transfer is for the specific purpose and function for which the reserve was established, then** this can be authorised by the S151 Officer in consultation with the relevant Director responsible for the receiving service. If the transfer is not for the specific purpose and function for which the reserve was established then the request for transfer will be referred to the Portfolio Holder for Finance and the S151 Officer, who can either approve the request or refer it to Cabinet.
- b) **Where the transfer of budget is between £50,000 and £100,000 and the transfer is for the specific purpose and function for which the reserve was established, then** this can be authorised by the Portfolio Holder for Finance in consultation with the S151 Officer. If the transfer is not for the specific purpose and function for which the reserve was established the transfer must be authorised by Cabinet.
- c) **Where the transfer of budget exceeds £100,000 and the transfer is for the specific purpose and function for which the reserve was established, then** this can be authorised by the Portfolio Holder for Finance in consultation with the relevant Portfolio Holder(s) and the S151 Officer. If the transfer is not for the specific purpose and function for which the reserve was established then the transfer must be authorised by Cabinet.

6.3.4 No transfer shall be undertaken with the purpose of utilising additional income for expenditure purposes without the express consent of the Section 151 Officer. No transfer shall be undertaken out of savings on payroll codes without the express consent of the Section 151 Officer.

6.3.5 There shall be no carry forward of any under-spending on budgets into the following financial year without the express authorisation of the Portfolio Holder for Finance and the Section 151 Officer. This includes budgets held on job codes. When considering any applications for carry forwards, the Section 151 Officer in consultation with the Portfolio Holder for Finance shall consider the overall budget position of the Council.

6.3.6 The Section 151 Officer is authorised to introduce additional restrictions on virements.

Variation of Estimates – General Fund and HRA Capital

6.3.7 Where the change is less than £10,000 per scheme within a financial year, it is delegated to the Section 151 Officer to approve the change in budget, arranging also the amendment to the financing of the Capital Programme.

6.3.8 Changes of between £10,000 and £150,000 can be approved by Portfolio Holder decision or Cabinet.

6.3.9 All changes above £150,000 will need to be approved by Cabinet.

6.3.10 All reprofiles of scheme expenditure will need to be approved by Cabinet.

6.3.11 All changes approved above will need to be noted by Cabinet.

6.4 Treasury Management

6.4.1 The Council has adopted CIPFA's Treasury Management in the Public Services Code of Practice 2018 as updated from time to time.

6.4.2 All matters relating to Treasury Management shall be subject to the supervision and control of the Section 151 Officer.

6.4.3 External Borrowing, and all other Treasury Management transactions, shall be undertaken in accordance with the CIPFA Treasury Management Code of Practice, Prudential Code and the rules and procedures laid down in the Council's Treasury Management Policy. The Treasury Management Manual shall be considered to be the Council's Financial Regulations for Treasury Management transactions and procedures.

6.5 Bank Accounts and Cheques

6.5.1 The Section 151 Officer shall arrange for such bank accounts to be kept as may be deemed necessary. The Section 151 Officer shall be responsible for the operation, supervision and control of those accounts. No member of staff shall arrange for a bank account to be opened without the express authorisation of the Section 151 Officer.

6.5.2 No direct debits from the Council's bank account must be set up without the prior approval of the Section 151 Officer.

6.5.3 Bank overdraft facilities and the amounts and conditions of bank charges shall be negotiated and agreed by the Section 151 Officer.

6.5.4 The Officers authorised to sign cheques or transfer money on behalf of the Council, shall be limited to the Section 151 Officer, Deputy Section 151 Officer or such officers as authorised by the Section 151 Officer.

6.5.5 Any cheques exceeding £50,000 must bear two authorised signatures, at least one of which must be a manual signature.

- 6.5.6 Where use is made of the on-line banking system for payments to be made out of any of the Council's bank accounts electronically, the requirements for authorisation of payments shall be equivalent to that of 6.5.4 and 6.5.5 above.
- 6.5.7 All unused cheques shall be held as "Controlled Stationery" and shall be held in a secure location.
- 6.5.8 No cheques are to be cancelled except by persons authorised by the Section 151 Officer.
- 6.5.9 Instructions for stopping cheques shall be notified to the Bank in writing and all preliminary telephone instructions in this connection shall be confirmed in writing immediately afterwards by the Section 151 Officer or Duly Authorised Officer.
- 6.5.10 No replacement cheques shall be issued until the Bank confirm that a stop has been placed on the original cheque. Confirmation received from the Bank regarding stopped cheques must be retained for a period approved by the Section 151 Officer.
- 6.5.11 All Giro credit balances shall be transferred by automatic transfer at regular intervals by officers authorised by the Section 151 Officer.
- 6.5.12 Bank accounts shall be reconciled with financial records and cashbooks at least once in each month and any discrepancies identified and appropriate action undertaken.
- 6.6 Procurement Cards**
- 6.6.1 The Section 151 Officer shall have the authority to approve requests for applications for procurement cards, including merchant category code blocks, monthly card limits and single transaction limits.
- 6.6.2 The Business Manager (Administrative Services) shall administer all applications for procurement cards. No officer shall apply for procurement cards other than through the Business Manager (Administrative Services).
- 6.6.3 All procurement cards must be held securely. Card details and PIN numbers must not be disclosed other than for the purposes of using the card for payments. Cardholders may be held personally liable for any expenditure that they cannot account for.
- 6.6.4 On a monthly basis, a record of card purchases shall be maintained by individual cardholders and reconciled to the card statement provided by the card issuer. Business Managers shall approve the monthly record of card purchases and provide a copy to the Financial Services Business Unit for processing.
- 6.6.5 Any discrepancies between the card issuer statement and the cardholder's record of purchases must be promptly reported to the Business Manager (Administrative Services).
- 6.6.6 Procurement cards shall only be used for authorised purchases relating to council business. Under no circumstances shall they be used for personal expenditure.
- 6.6.7 In all circumstances, every purchase with VAT will require a VAT receipt in order for the

card statement to be accounted for correctly. Any items that do not include a VAT receipt will be charged fully to the revenue code.

6.7 Controlled Stationery

6.7.1 The term Controlled Financial Stationery refers to stationery which is sequentially pre-numbered to provide a sound audit trail, usually to record and process items of a financial nature, the use of which has to be regulated in order to ensure it is restricted to authorised Officers only.

6.7.2 Within the Council this primarily relates to cheques, income collection sheets, income receipts, petty cash books and car park tickets.

6.7.3 The Section 151 Officer may designate any item he considers appropriate to be controlled stationery.

6.7.4 Such stationery must be retained securely at all times and any issues from stock signed for.

6.8 Retention of Financial Records

6.8.1 All financial records, whether in written or printed form or stored electronically and all records supporting financial transactions in whatever form shall be retained in accordance with instructions issued by the Section 151 Officer, who shall determine the Council's retention requirements in accordance with relevant legislation and shall be responsible for the Council's Records Retention and Disposal Policy with respect to financial records.

6.9 Authorised Signatory List

6.9.1 SLT and Business Managers, in consultation with the Section 151 Officer will nominate authorised signatories for their service for the authorisation of orders, invoices, timesheets, overtime claims and contracts. The Section 151 Officer may authorise additional officers to undertake these duties.

6.10 Taxation

6.10.1 The Section 151 Officer is responsible for ensuring that adequate procedures are in place and adequate advice available for Business Units so as to ensure that the Council is at all times compliant with the specific requirements of the various tax regimes which affect its operations and delivery of services.

6.10.2 The Section 151 Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

6.10.3 All Business Managers will at all times conduct the financial arrangements of their Business Units, with regard to taxation issues, in accordance with advice or instructions issued by the Section 151 Officer, and shall provide any related information or documents upon request.

7. EXPENDITURE RELATED REGULATIONS

7.1 Employers Records and Payments of Salaries and Wages

7.1.1 Business Managers shall be responsible for promptly notifying the Business Manager Human Resources & Training of all information required to maintain correct records for all employees of the Council in respect of service, including appointments, terminations, promotions (including 'acting up' allowances and honorariums), qualifying examination awards, sickness and absenteeism.

7.1.2 Memoranda to the Business Manager Human Resources & Training in respect of 7.1.1 above shall be signed by the Business Manager or Duly Authorised Officer. The Human Resources Business Unit shall immediately forward such details to the Financial Services Business Unit to ensure that the correct payment of wages and salaries and other related items (including deductions) can be made.

7.1.3 Business Managers shall be responsible for arranging the submission of wages time sheets, staff salary data, overtime claims and claims for standby payments to arrive in the Financial Services Business Unit in accordance with the prescribed timescale.

7.1.4 Payment of wages/salaries shall only be made to:

- (i) Personnel included in the approved establishment for the service areas of the Council, or
- (ii) Approved temporary or casual personnel who have been properly notified to the Financial Services Business Unit.
- (iii) Appointments as authorised in sub-paragraph 7.1.6 below.

7.1.5 Business managers will be required to provide positive confirmation of current post holders prior to the payment of wages and salaries

7.1.6 Appointments other than those included in the approved establishment as amended from time to time shall be made in accordance with Human Resources Policies.

7.2 Consultants

7.2.1 Where a consultant is to be engaged, it is the responsibility of the officer arranging the contract to determine whether or not payments are to be made to the consultant directly or to a personal service company (PSC). This is a limited company owned by the consultant and is commonly used to reduce tax and National Insurance liability. If payment is to be through a personal service company, advice must be sought from the S151 Officer and the Business Manager HR and Training before any appointment is made in order for an IR35 assessment to be conducted.

7.3 Travelling and Subsistence Claims

7.3.1 All claims by Officers for payment of subsistence allowances, travelling and incidental expenses shall be submitted, duly certified by or on behalf of the Business Manager, on

the Council's electronic expense system in accordance with a timetable specified by the Section 151 Officer.

- 7.3.2 The names of Officers authorised to certify claims shall be sent to the Section 151 Officer by each Business Manager. The Section 151 Officer will determine the controls, to be put in place for electronic systems.
- 7.3.3 The certification by or on behalf of the Business Manager shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred, and that the allowances are properly payable by the Council.
- 7.3.4 Un-receipted expenditure will only be considered for reimbursement at the discretion of the Section 151 Officer or his nominated officer where they are satisfied that the authorising officer has established that a receipt was not available.
- 7.3.5 Officers claims shall normally be submitted monthly, and any submitted more than six months after the expenses were incurred shall be paid only with the express approval of the Section 151 Officer. Business Managers shall ensure that all Officers using their own vehicles on Council business:
- (i) Hold a current full driving licence authorising them to drive the vehicle in question.
 - (ii) Have a current insurance policy, which indemnifies the Council against all third party claims (including those of passengers) arising out of the use of the vehicle in question on the Council's business.
 - (iii) Hold a current MOT certificate, where applicable, for the vehicle in question.
 - (iv) Have paid the appropriate road tax, where applicable, for the vehicle.

7.4 Members Allowances

- 7.4.1 Claims shall be undertaken in accordance with the Members' Allowance scheme approved by the Council on a form approved by the Section 151 Officer on the following basis:
- (i) Claims may be submitted at the end of each month.
 - (ii) Claims for all expenses and travelling in any financial year up to the end of January must be submitted to the Democratic Services Business Unit by the 5th working day of March.
 - (iii) Claims for expenses and travelling during February and March must be submitted to the Democratic Services Business Unit by the end of April.
- 7.4.2 Claims will be verified by Democratic Services Business Unit prior to being submitted for approval by the Financial Services Business Unit.
- 7.4.3 Further guidance concerning Members Allowances is given in the Members handbook and the latest scheme of Members Allowances approved by Council.

7.5 Orders for Goods, Works and Services

- 7.5.1 Each member of SLT and Business Manager shall be responsible for all official orders issued from their remit ensuring that:
- (i) The estimated costs are covered by an approved budget or other prior sanction. This includes where amendments to orders are necessary, in that this must be covered by an approved budget.
 - (ii) There is compliance with Standing Orders and Contract Procedure Rules, and procurement law and regulations concerning tenders and contracts.
 - (iii) It can be demonstrated that the purchase represents value for money.
 - (iv) Order values are not split to avoid having to comply with procurement rules.
- 7.5.2 All orders must be made through the Council's Financial Management system and must be in the name of Newark & Sherwood District Council and in a form approved by the Section 151 Officer. Wherever possible electronic orders should be raised in advance of the purchase, and the supplier advised of the relevant purchase order number.
- 7.5.3 Official orders must clearly show the nature and quantity of the materials, works or services required, and details of the agreed price (or estimated price), discounts and terms in relation to packing and delivery.
- 7.5.4 Official orders shall indicate that invoices/accounts are to be submitted to the Financial Services Business Unit quoting the relevant purchase order number unless expressly authorised by the Section 151 Officer.
- 7.5.5 Official orders and variations to orders shall be authorised only by:
- (i) Business Managers.
 - (ii) Duly Authorised Officers, nominated by appropriate Business Managers detailed in a schedule supplied to the Section 151 Officer showing the financial limits to an Officer's authority and a specimen signature.
- 7.5.6 Official orders must be generated for all work, goods, and services to be supplied to the Council except:
- (i) No order shall be issued if the estimated value of the work or services exceeds the value where a tender process is required in accordance with Contract Procedure Rules (This value is £75,001). In this instance a formal tender process must be initiated in consultation with Welland Procurement
 - (ii) For periodic payments such as rents or rates, for petty cash purchases or such other exception as the Section 151 Officer may approve.
 - (iii) Goods and services ordered by use of a Council Procurement Card.
- 7.5.7 Council orders shall not be used for personal or private purchases.
- 7.5.8 Business Managers or Duly Authorised Officers must review electronic purchase orders on a regular basis and cancel those that are no longer required.

7.6 Goods Received

- 7.6.1 The system of checking goods received, or works done, against official orders shall be in accordance with instructions laid down by the Section 151 Officer and must be adhered to by all officers.
- 7.6.2 Where an electronic order has been raised, a Goods Receipt Note should be input to the Financial Management system as soon as the goods have been checked.
- 7.6.3 The same Officer must not both authorise an order and certify that goods have been received or work done.
- 7.6.4 Where the value of the order is above £15,000 only an authorised officer can allocate a goods receipt note onto the Council's online financial management software.
- 7.6.5 Where goods/works/services have not been supplied to the satisfactory standard of the Council, no goods receipt note should be added to the system, but a dispute notification must be made to the Section 151 Officer, in order to denote the invoice is in dispute.

7.7 Invoices

- 7.7.1 Where an invoice is not subject to an electronic order raised on the Council's Financial Management system, due to any of the circumstances outlined at 7.5.6, the invoice should be authorised for payment by one of the following:
- (i) SLT
 - (ii) Business Managers
 - (iii) Duly Authorised Officers, nominated by appropriate Business Managers detailed in a schedule supplied to the Section 151 Officer showing the financial limits to an Officer's authority and a specimen signature. Business Managers shall be responsible for promptly notifying the Financial Services Business Unit of amendments to Duly Authorised Officers.
- 7.7.2 Before certifying an invoice, the authorising officer shall be satisfied that:
- (i) The work, goods or services to which the invoice relates have been received, carried out, examined and approved.
 - (ii) The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.
 - (iii) The relevant expenditure has been properly incurred, and is within the relevant estimate provision.
 - (iv) Appropriate entries have been made in registers, inventories, stores records or stock books, as required, and
 - (v) the invoice has not been previously passed for payment and is a proper liability of the Council.
- 7.7.3 Where any amendment is required to an invoice the supplier must be asked for an amended invoice or, alternatively, a credit note.
- 7.7.4 Business Units shall promptly forward any invoices received directly to the Administration

Business Unit after ensuring that the appropriate purchase order has been goods received.

- 7.7.5 Invoices shall only be paid within the computer-based system timetable. Any invoices for which there is no purchase order and/or Goods Receipt Note on the Financial Management system cannot be paid (with the exception of those under circumstances detailed in 6.4.6) and the relevant Business Unit will be notified to correct the omission.
- 7.7.6 Business Managers are responsible for ensuring that all necessary data and authorisations are input to the Financial Management system to guarantee payment of commercial invoices within 30 days of receipt.
- 7.7.7 Copy invoices and orders substituted for the original document shall be clearly marked "copy" and initialled.
- 7.7.8 No payments made by the Section 151 Officer will be other than by use of official stationery or by approved electronic means.
- 7.7.9 The Section 151 Officer will be responsible for the deduction of any tax from payments to contractors under the provision of the Construction Industry Tax Deduction Scheme.
- 7.7.10 Any queries on invoices that cause delay in payment must be raised formally with the supplier. When the invoice is passed to the Financial Services Business Unit for payment the reason for delay must be provided.

7.8 **Petty Cash and Post**

7.8.1 **General**

- (i) Petty cash is only available under special circumstances. Procurement cards should be used in the first instance.
- (ii) Procedures for Petty Cash Imprest Accounts and Post shall be in accordance with instructions laid down by the Section 151 Officer. New or temporary accounts/floats shall not be raised out of income.
- (iii) New or temporary accounts/floats can only be raised by Financial Services

7.8.2 **Petty Cash Imprest Accounts**

- (i) A Petty Cash Imprest Account is defined as a fund of cash from which incidental expenses are paid, which is topped up periodically from central funds. These transactions should be minor, routine transactions, where raising an official order and processing an invoice through the Creditor system would be neither realistic nor cost effective. This differs from a change float which is a sum of money used to provide change at the start of the day, which is deducted from the total at the end of the day when calculating the day's takings. A Petty Cash Imprest Account should be kept and accounted for separately to a change float.
- (ii) Holdings of Petty Cash shall be limited to amounts prescribed by the Section 151 Officer.
- (iii) Signatures of Petty Cash holders confirming the amounts held shall be obtained annually under year-end procedures and periodic management checks shall be made to verify petty cash holdings.
- (iv) Business Managers shall be responsible for ensuring the comprehensive recording

of all petty cash disbursements, the custody of supporting documents and vouchers and the safe custody of all unused balances of petty cash.

- (v) Reimbursement of petty cash shall be obtained by the production of the appropriate voucher together with receipts to the Section 151 Officer for inclusion in the invoice payment system.
- (vi) Un-receipted expenditure will only be considered for reimbursement at the discretion of the Section 151 Officer or his nominated officer where they are satisfied that the authorising officer has established that a receipt was not available.
- (vii) Two people shall be involved in the preparation/authorisation of an imprest claim.
- (viii) The Petty Cash system must not be utilised for payments that should be processed through other systems (e.g. Members/Officers expenses) unless expressly authorised by the Section 151 Officer.
- (ix) On leaving the employment of the Council or otherwise ceasing to be entitled to hold a petty cash or other float an Officer shall account to the Section 151 Officer for the amount advanced to him, and a hand over certificate shall be completed.

7.8.3 Post

- (i) All post should be processed through the Business Mail process.
- (ii) The Business Mail process is not to be used for personal items of mail.

7.9 Right to Set Off

7.9.1 The Right to Set Off concerns the situation whereby the Council owes a person money, but where that person also owes money to the Council, and the Council sets off what is owed before paying the balance (if any) to the person.

7.9.2 Business Managers shall be responsible for ensuring that suitable arrangements are in place to consider the setting off of monies owed to the Council where applicable.

7.9.3 Set Offs shall be undertaken where:

- (i) The opportunity arises, subject to any statutory obligation upon the Council.
- (ii) The circumstances of the particular case justify such a course of action.

Each case must be considered on its own merits.

7.9.4 Officers undertaking set offs shall ensure that the course of action proposed has been evaluated by the Legal Business Unit and the VAT Officer within Financial Services prior to it being undertaken.

7.9.5 No grant shall be offered to a third party where that person/entity is in debt to the Council, and such debt has become outstanding and in arrears, without the express consent of the Section 151 Officer.

7.10 Contracts

7.10.1 All contracts shall be made and administered in accordance with the Contract Procedure Rules.

7.10.2 Directors are responsible for notifying the names of Officers authorised to sign contracts and their authorisation limits to the Section 151 Officer. Any changes should be notified to the Financial Services, HR and Legal Business Units.

8. INCOME RELATED REGULATIONS

8.1 Responsibilities

8.1.1 Business Managers shall be responsible for the collection, custody and banking of income received as due to the Council in accordance with the instructions issued by the Section 151 Officer.

8.1.2 Every Officer of the Council who pays money into a bank account of the Council, shall enter on a paying in slip, and on the counterfoil or duplicate thereof, particulars of such payment, including, in the case of each cheque paid in:

- (i) The amount of the cheque, and
- (ii) A reference (such as the number of the receipt given or the name of the debtor) which will connect the cheque with the debt or debts in discharge or partial discharge of which it was received.

Where any cheque paid in was not received in discharge or partial discharge of a debt due to the Council, the Officer shall note the fact on the counterfoil or duplicate of the paying in slip.

8.1.3 It is the responsibility of the Business Manager that is receipting income to put in place adequate procedures to ensure that where works/services/goods have been provided cash receipts are reconciled from the Council's financial management system to the source records held by the Business Unit. This should be completed monthly and any discrepancy between actual cash received and the source information should be directed to the Business Manager – Financial Services for investigation.

8.2 General

8.2.1 The rules for the collection of all income due to the Council shall be under the general control of the Section 151 Officer.

8.2.2 The records kept by each budget holder with regard to items of income shall be in such a form as may be agreed by the Section 151 Officer from time to time.

8.2.3 All payments received in cash on behalf of the Council shall be acknowledged by the issue of an official receipt. Such receipts shall only be valid if in the form of an official machine printed receipt, except where official manual receipt books are issued for prescribed purposes.

8.2.4 All income shall be collected and deposited intact without delay into the Council's bank account, as directed by the Section 151 Officer, on the same day as received wherever possible. Where appropriate, income shall be deposited under night-safe arrangements, including suitably secure safes on the Council's own premises, or held securely by another

appropriate method approved by the Section 151 Officer. Where cash is held in secure safes on Council premises the Business Manager responsible for the service depositing the money shall ensure that sufficient insurance arrangements are in place.

- 8.2.5 No personal cheques are to be cashed out of Council funds.
- 8.2.6 All cheques, postal orders, money orders and postal drafts etc, received on behalf of and due to the Council shall be crossed "A/C Newark and Sherwood District Council" immediately on receipt unless they are already clearly marked with equivalent wording.
- 8.2.7 Post-dated cheques will only be accepted at the discretion of the Section 151 Officer.
- 8.2.8 The Section 151 Officer on receipt of details from Business Manager shall ensure that a record is maintained of all items of income due to the Council classified as "periodic income" for which fixed or varying charges apply. For this purpose the term "periodic income" shall mean any fee or charge receivable by the Council on a recurring basis one or more times in any one year.
- 8.2.9 Business Managers shall be responsible for notifying the Section 151 Officer of all items of miscellaneous income due to be paid to the Council.
- 8.2.10 Cash receipts over a value of £1,500 shall be reported to the Council's Anti Money Laundering Reporting Officer (the Section 151 Officer) who shall be responsible for taking the appropriate action. The Section 151 Officer may issue further arrangements in respect of anti-money laundering.
- 8.2.11 Instances where currency is identified as being forged shall be reported to the Section 151 Officer.
- 8.2.12 No online payment system must be set up without the prior approval of the Section 151 Officer.
- 8.2.13 All online payments must be in accordance with instructions issued by the Section 151 Officer.
- 8.3 **Cash Receipting**
 - 8.3.1 Receipt books are controlled stationery and shall be retained securely.
 - 8.3.2 Where Council income other than cheque payments, whether cash or otherwise, is passed from one employee to another, the receiving employee shall sign an appropriate form of receipt, which shall be retained by the Officer who passed the income.
 - 8.3.3 Adequate details of receipts and specific records of cheques shall be kept which refer to the original debt.
 - 8.3.4 Postal income shall be held securely, opened wherever possible in a secure environment, by a minimum of two officers, recorded on appropriate documentation, and promptly investigated in the event of discrepancies.

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- 8.3.5 Change must not be given in the event of a cheque being received for a greater value than the debt outstanding.
- 8.3.6 Coin operated machines shall be emptied on a regular basis, with the income counted in a secure environment by a minimum of two officers, with a note of machine readings being taken (where applicable), with discrepancies being promptly investigated.
- 8.3.7 Change floats shall be issued and approved by the Section 151 Officer, be kept secure when not in use, checked prior to use, and deducted from the total at the end of the day when calculating the days takings. Unofficial floats must not be maintained.
- 8.3.8 Cashing up duties shall be undertaken by a minimum of two officers, in a secure environment away from public view, with the details being recorded on an appropriate daily return, with discrepancies being promptly investigated.
- 8.3.9 Further details concerning cash handling procedures are outlined in the Cash Handling Guidance notes which can be found in the Safety section on the Council's intranet.

8.4 **Debtor Accounts - Recovery, Amendment and Write-Off**

- 8.4.1 The Council shall submit invoices for rechargeable work within one month of the work being completed and appropriate documentation being received.
- 8.4.2 All arrangements for recovery of outstanding debts to the Council shall be made in accordance with instructions from the Section 151 Officer (this may include the debtor details being submitted to the Council's Legal Business Unit or an outside collection agency suitably appointed by the Council).
- 8.4.3 Cancellation of Sundry Debtor accounts, whether in part or full, shall be authorised in writing by the relevant Business Manager or Duly Authorised Officer, on the basis of appropriate documentation prepared by the originator of the debt, which justifies the said cancellation.
- 8.4.4 The Section 151 Officer shall be authorised to write off debts owed to the Council in accordance with delegated authority contained in the Council's Constitution. Items in excess of the amount specified in delegated authority may only be written off by the Cabinet.

8.5 **Gifts and Hospitality**

- 8.5.1 The procedures to be adopted concerning gifts and hospitality being offered to an employee of the Council, shall be in accordance with guidance notes within the Employees Code of Conduct, Member Code of Conduct, or issued by the Councils Monitoring Officer or Section 151 Officer.

9. **PROTECTION OF ASSETS**

9.1 **Security**

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- 9.1.1 The Section 151 Officer shall maintain an up-to-date asset register. The Section 151 Officer should be notified in any case where security is thought to be defective or where it is considered that special arrangements may be needed.
- 9.1.2 Officers arranging legal contracts shall ensure that the legal documents are lodged with the Legal Business Unit.
- 9.1.3 The Council's Legal Business Unit shall be responsible for the safe custody of all legal agreements, leases etc, showing due dates for termination and for the review of "break clauses" as applicable and shall keep a register of all such legal agreements.
- 9.1.4 The Contract Officer is responsible for ensuring appropriate action is taken to meet the requirements of the relevant operative dates.
- 9.1.5 Each Business Manager shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc, under his control. He shall consult the Section 151 Officer (and, where necessary, the Business Manager Community Safety) in any case where it is considered that special security arrangements may be needed.
- 9.1.6 Maximum limits for cash holdings shall be agreed with the Section 151 Officer in accordance with insurance limits, and shall not be exceeded without his express permission.
- 9.1.7 Keys to safes, similar receptacles, cash offices, stock rooms and office keys must be held securely. The loss of any such keys must be reported to the Section 151 Officer immediately.
- 9.1.8 Each Business Manager shall be responsible for maintaining a secure record of key holders together with details of keys held in other locations. All keys held personally by individual officers must be signed out and signed back in again when they are no longer required to be held.
- 9.1.9 Any losses of either ID badges or building access cards must be reported immediately to the Business Manager Public Protection & Admin Services.
- 9.1.10 Any breaches in security shall be reported immediately to the Business Manager Public Protection.
- 9.2 **Inventories**
 - 9.2.1 Business Managers shall ensure that an inventory is maintained of all items, as approved, in a form approved by the Section 151 Officer.
 - 9.2.2 The inventory shall give an adequate description of all movable plant and machinery, vehicles, and valuable, desirable and portable equipment belonging to Newark and Sherwood District Council. The inventory will be a permanent record and under no circumstances shall an item be deleted. Entries relating to items disposed of or transferred shall be annotated to that effect. The inventory should detail such identification marks as to enable the item to be easily identified i.e. model number, serial number, unique identification number etc.

- 9.2.3 All new inventory items purchased must be entered onto the inventory immediately and where relevant, the Risk and Insurance Officer should be notified.
- 9.2.4 Business Managers shall be responsible for maintaining an annual check of all items on the inventory. As part of the Annual Governance Statement process, Business Managers are asked in April each year to certify the accuracy and completeness of inventories. As such, there must be an inventory check undertaken of all items in time to complete this certification. This is a minimum requirement; in some instances a more frequent review may be appropriate.
- 9.2.5 All surpluses or deficiencies shall be properly documented and recorded as an amendment to the inventory and reported to the appropriate Director and Risk and Insurance Officer, subject to 9.2.6 below.
- 9.2.6 Surpluses or deficiencies in excess of £50 for any one item and £500 in total must be reported to the Section 151 Officer who may, at his discretion, order an investigation.
- 9.2.7 In connection with surplus inventory items with a value over £50:
- (i) Prior to disposal, the surplus item must be offered for internal use elsewhere in the Council. In this case both inventories should record the transfer.
 - (ii) All disposals must be authorised by the appropriate Business Manager.
 - (iii) The method of disposal shall be approved by the Section 151 Officer.
 - (iv) All disposals must be properly documented.
 - (v) The Risk and Insurance Officer shall be informed of all relevant disposals.
- 9.2.8 Any inventory item identified as being obsolete must only be disposed of on the authority of the appropriate Business Manager, after consultation with the Section 151 Officer.
- 9.2.9 No inventory item shall be subject to personal use by an employee without authorisation by the appropriate Business Manager. Any item removed for home working should be shown as such on the inventory or through an appropriate booking out mechanism.
- 9.2.10 Employees are responsible for inventory items allocated to them. Employees are also responsible for keeping a record if they loan inventory items to other officers.
- 9.3 **Stores**
- 9.3.1 Each Business Manager shall be responsible for the custody, control, ordering, issuing and recording of stocks and stores in their Business Unit. The system in operation shall be subject to the express approval of the Section 151 Officer.
- 9.3.2 Business Managers shall arrange for a continuous and independent stocktaking of stores.
- 9.3.3 Stocktaking procedures shall be sufficiently regular and robust so as to ensure that stock is accurately recorded. This must include a stocktake at 31st March each year.
- 9.3.4 Following the stocktaking of stores, the following procedures shall apply:
- (i) Investigations shall be made into discrepancies to isolate and correct accounting

errors. The results of any investigations including any reports must be sent to the Section 151 Officer at an early stage.

- (ii) Discrepancies still outstanding shall be presented to the appropriate responsible Director for comment and explanation.
- (iii) The Section 151 Officer shall have authority after receipt and consideration of the comments and explanations to make the necessary adjustments to the stores ledger, and may require an investigation and/or report to the Audit and Accounts Committee.

9.3.5 The Section 151 Officer shall be entitled to receive from each Business Manager such information as he requires in relation to stores for the accounting, costing and financial records, including a certificate of the value of stores held at the 31st March each year for submission at audit.

9.3.6 Prior to disposal, the Business Manager shall ensure that the Council has ownership of the asset. Surplus or obsolete materials, stores or equipment with an estimated value over £500 shall be disposed of by competitive tender or public auction, unless appropriate written approval is obtained from the Section 151 Officer who decides otherwise in a particular case. The proceeds of the sale of any asset should be paid directly to the Council without any deductions.

9.3.7 No stores item shall be subject to personal use by an employee.

9.4 **Insurance**

9.4.1 The Section 151 Officer shall be responsible for effecting adequate insurance cover, through an insurance company (or companies) or such other means approved by Cabinet for all assets, commitments and contingent liabilities in the performance and discharge of statutory or other authorised duties by the Council, its Members and Officers.

9.4.2 No officer shall arrange insurance other than through the Council's Risk and Insurance Officer.

9.4.3 Insurance requirements shall be actioned in accordance with the Council's Insurance Guide, which can be found in the Public Protection section of the intranet.

9.4.4 The Section 151 Officer shall carry out periodic reviews to ensure the maintenance of adequate insurance cover as above, and shall maintain a record of "risks" covered, the amount of cover and premiums due.

9.4.5 Business Managers shall be responsible for promptly notifying the Section 151 Officer of the extent and nature of new risks or of any variations concerning insurance cover required in respect of their own service area.

9.4.6 Business Managers shall be responsible for promptly notifying the Section 151 Officer of full details of all accidents or occurrences likely to lead to a proper claim on the Council.

9.4.7 Where any claim is received from a third party by any officer, this must be immediately forwarded to the Council's Risk and Insurance Officer.

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- 9.4.8 The Section 151 Officer shall maintain a record of all insurance claims made against the Council.
- 9.4.9 No correspondence should be entered into in respect of any claim or other insurance matter except by the Council's Risk and Insurance Officer, without the express approval of the Section 151 Officer.
- 9.4.10 At no time should any officer or Member or any other person acting on behalf of the Council make an admission of liability on behalf of the Council without the express authority of the Section 151 Officer.
- 9.4.11 Any expenditure in relation to dealing with the settling or resisting of claims must be authorised by the Section 151 Officer or any other duly authorised officer prior to any expenditure being committed.

9.5 **Asset Management**

- 9.5.1 All matters relating to Asset Management shall be administered in accordance with the Council's Asset Management Plan.
- 9.5.2 The Section 151 Officer shall ensure that an Asset Register is maintained by the Council in accordance with the latest advice issued by the Chartered Institute of Public Finance and Accountancy.
- 9.5.3 It is the responsibility of the appropriate Director to ensure that Asset Management expertise is available to the Council.
- 9.5.4 The Asset Register shall include all assets of the Council valued in excess of £15,000.

9.6 **Management of Information**

- 9.6.1 Business Managers shall be responsible for maintaining the proper security and privacy of all information under their control including computerised files and for ensuring the Council acts in accordance with the Data Protection/Freedom of Information legislation.
- 9.6.2 Intellectual property (i.e. the generic term that includes inventions, creative writings, software and drawings) arising from the course of employment will belong to the Council.

9.7 **Motor Vehicles**

- 9.7.1 Council vehicles must not be used for private purposes, or hired or lent out, without the express approval of the appropriate Director who shall check with the Council's Risk and Insurance Officer that such use is covered by the Council's insurance policy. Records of any such use should be kept to ensure the driver of any such vehicle shall be known at all times. If there is any doubt that adequate insurance cover is in place, no such use of the vehicle shall be permitted.
- 9.7.2 Business Managers shall ensure that all Officers using Council owned vehicles hold a

current full driving licence authorising them to drive the vehicle in question.

9.7.3 All Officers using Council owned vehicles are responsible for the security of the vehicle, whilst it is in their care.

9.7.4 Where a Council vehicle is to be taken home overnight to facilitate call-out, stand-by or other appropriate duties, Financial Services must be informed to ensure that taxation issues are managed appropriately.

9.8 **Reporting of Irregularities**

9.8.1 The reporting of irregularities shall be in accordance with the Council's Guidance for Dealing with Irregularities which is available in the Financial Services section of the Intranet.

9.9 **Whistleblowing Policy**

9.9.1 Each Business Manager shall be responsible for ensuring that their staff are aware of, understand and comply with the Council's Whistleblowing Policy which is available within the Council's Constitution.

9.10 **I.C.T. Systems**

9.10.1 All proposals for the acquisition, development, maintenance and use of computing facilities and systems shall conform with the Council's I.C.T. policies and strategies and the Employee Code of Conduct.

10. **EXTERNAL ARRANGEMENTS**

10.1 **Partnerships, Shared Services and Collaboration Arrangements**

10.1.1 No partnership or shared service arrangement shall be set up without taking into consideration the factors covered in 10.1 of these regulations.

10.1.2 Business Managers shall ensure that the appropriate approval is obtained prior to any negotiations being concluded in relation to work with external bodies.

10.1.3 The Section 151 Officer must be consulted on the financial implications of new partnerships or shared services arrangements and must approve that:

- (i) A scheme appraisal for financial viability in both current and future years has been undertaken.
- (ii) Costs and income are provided for in the Council's budget.
- (iii) Arrangements are in place for accurate accounting for cost and income.
- (iv) Sufficient controls are in place for the successful operation of the partnership/shared service, including arrangements for sufficient access to financial and other records.
- (v) Carry forward arrangements have been determined.
- (vi) A formal risk appraisal has taken place and a management strategy devised.
- (vii) An auditing, security and control regime has been established.

(viii) Appropriate arrangements are in place for the recovery of VAT.

10.1.4 Financial performance of partnerships and shared services must be monitored and reported back to the Council as agreed.

10.1.5 These Financial Regulations also apply to all partnerships and shared services unless similar arrangements have been approved by the Section 151 Officer.

10.1.6 Where collaboration is agreed with an external partner, the relevant Business Manager is responsible for ensuring that all income due is invoiced and recorded promptly within the Financial Management system and that invoices for expenditure incurred in relation to the collaboration are received and recorded promptly.

10.1.7 Where an Officer is working for a Collaboration partner, the Financial Regulations of the partner body will apply.

10.2 External Funding

10.2.1 No applications for external funding shall be made without prior consultation with the Section 151 Officer. Directors or Business Managers shall be responsible for providing the Section 151 Officer with the following information:

- (i) How the bid is compatible with the Councils aims and priorities.
- (ii) Whether the bid is for capital or revenue funding.
- (iii) Whether matched funding contributions are required from the Council and how these will be identified.
- (iv) Whether matched funding contributions are required from other organisations and how these amounts will be secured.
- (v) An exit strategy setting out how budgets will be adjusted after the external funding expires.
- (vi) Where the bid is for revenue funding, whether it is to support existing levels of activity or enhanced/new activities.
- (vii) Where the bid is for capital funding, whether an asset will be created and how this fits in with the Councils Asset Management Plan, how the ongoing maintenance of the asset will be funded and whether the asset can/will be disposed of at a later date.
- (viii) Details of ownership and insurance of the asset.

10.2.2 Business Managers shall be responsible for ensuring that:

- (i) The key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- (ii) Any funding received is used for the intended purpose and is notified to the Section 151 Officer.

10.2.3 The Section 151 Officer shall be responsible for:

- (i) Approving all external funding bids prior to application.
- (ii) Approving all interim and final claims for external funding once the bid has

been accepted and is live.

- (iii) Ensuring that any funding received is properly recorded in the Council's accounts.

10.3 Work for Third Parties

10.3.1 No Officer should set up their own trading company to provide services to the Council without the prior approval of the Section 151 Officer and the Monitoring Officer.

10.3.2 Where works are to be provided to a third party, any contractual arrangement above £15,000 must be approved by the Section 151 Officer prior to being signed. This is regardless of whether the piece of work is a one off or on-going.

10.3.3 Business Managers shall be responsible for ensuring that:

- (i) A register is maintained of all contracts entered into with third parties.
- (ii) Any risks are minimised and such work is intra vires.
- (iii) Appropriate insurance arrangements are made.
- (iv) The Council is not put at risk from any bad debts.
- (v) No contract is subsidised by the Council.
- (vi) Wherever possible, payment is received in advance of the delivery of the service.
- (vii) The Business Unit has the appropriate expertise to undertake the Contract.
- (viii) All contracts are properly documented.
- (ix) Appropriate information is provided to the Section 151 Officer for final accounts purposes.

11. DIRECTOR/OFFICER DELEGATIONS

11.1 Director/Officer delegations will be in accordance with the latest Scheme of Delegation as approved by Council.

12. CONTRACT AND WINDFALL SAVINGS

12.1 Unless specific agreement with the Section 151 Officer is obtained, contract savings and windfall savings (i.e. unanticipated income or unanticipated savings on expenditure including any figure relating to previous years) will revert to Balances.

13. FAILURE TO COMPLY WITH FINANCIAL PROCEDURE RULES

13.1 Failure to comply with the Financial Procedure Rules:

- Is a breach of the Code of Conduct for Officers that is covered by the Council's Disciplinary and Dismissal Policy.

13.2 Councillors must report any apparent breach of the Financial Procedure Rules to the Chief Executive. Officers must report apparent breaches to an appropriate Chief Officer or the S151 Officer. The Chief Officer (where this isn't the S151 Officer) should report breaches of these Rules to the S151 Officer and the Monitoring Officer.

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