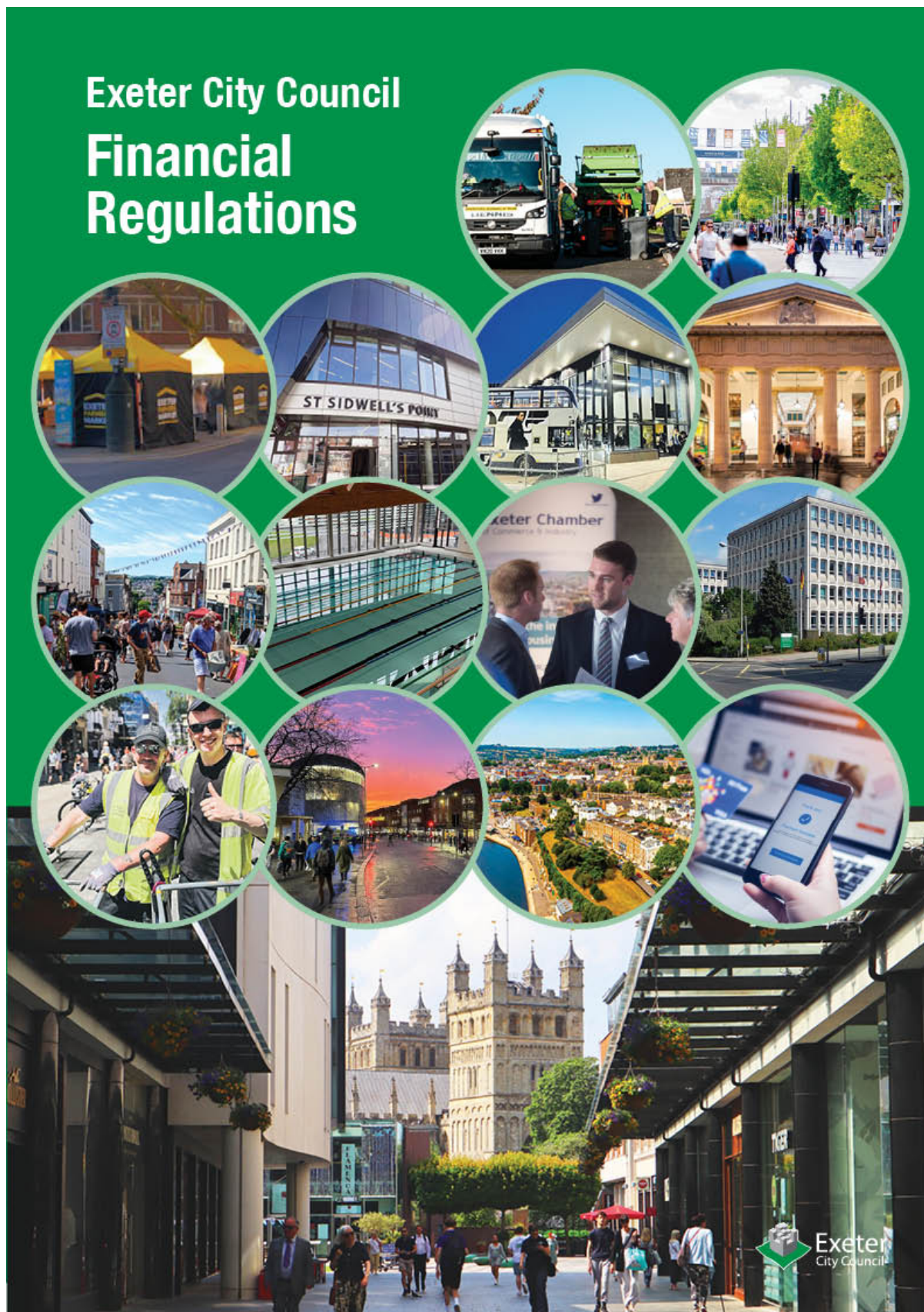


Exeter City Council Financial Regulations



Contents

Fin reg.	
	Introduction
1	Status of Financial Regulations
2	Financial Management Responsibilities
3	Financial Planning
4	Maintenance of Reserves
5	Control of Expenditure and Income
6	Budget Changes
7	Fixed Asset Register
8	Risk Management and Control of Resources
9	Money Laundering Reporting Officer
10	Internal Audit
11	External Audit
12	Orders for Goods, Work or Services
13	Payment of Accounts
14	Credit Notes
15	Banking Arrangements
16	Income
17	Security of Cash
18	Imprest Accounts
19	Debtors
20	Fees & Charges
21	Internal Transactions
22	Disposal of Assets
23	Leases
24	Investments and Loans
25	Insurance
26	Stock
27	Employee Records and Payments
28	Partnerships and Third Parties
29	Corporate Credit Cards
30	Urgency

Financial Regulations

Introduction

Financial Regulations are the regulatory framework within which the financial affairs of the City Council are operated.

The City Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. It must ensure that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

These financial regulations form a key element of the maintenance of a robust, clear and accountable governance framework for the Council. Financial Regulations:

- Provide a framework for the proper and efficient administration of the Council's financial affairs
- Encourage all Members and Officers to abide by the highest standards of probity and integrity with clear standards which need to be continually maintained and there are controls to ensure that these standards are met
- Ensure that there are clear roles, responsibilities and accountabilities to protect the Council's money and assets
- Ensure that the use of resources is legal, properly authorised and gives value for money

Section 151 of the Local Government Act 1972 states:

'.....every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has the responsibility for the administration of those affairs'.

1. Status of Financial Regulations

- (a) These regulations shall be read and construed as part of the Standing Orders of the Council.
- (b) These regulations may be amended by the Council at any meeting on recommendation by the Executive.
- (c) Strategic Directors are responsible for ensuring that all employees in their units are aware of the existence and content of the Council's financial regulations and that they comply with them.
- (d) These regulations apply to the control of both the General Fund and the Housing Revenue Account finances and to revenue and capital finances.

2. Financial Management Responsibilities

- (a) Strategic Director for Corporate Resources

The Strategic Director for Corporate Resources, being designated Proper Officer under Section 151 of the Local Government Act, 1972, shall be financial advisor to the Council, its Committees and the Executive and shall be required to give advice either orally or in writing on all matters having financial consequences.

Section 114 of the Local Government Finance Act 1988 requires the Strategic Director for Corporate Resources to report to the full council, Executive and external auditor if the authority or one of its employees:

- (i) has made, or is about to make, a decision which involves incurring unlawful expenditure
- (ii) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- (iii) is about to make an unlawful entry in the authority's accounts.

Section 114 of the 1988 Act also requires:

- (i) the Strategic Director for Corporate Resources to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally
- (ii) the authority to provide the Strategic Director for Corporate Resources with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

(b) Deputy Section 151 Officer

The Deputy Section 151 Officer shall be the Head of Service, Finance.

For the avoidance of doubt, any of the authorisations or approvals required by the Strategic Director for Corporate Resources (Section 151 Officer) under these Financial Regulations or any other policy, procedure or Standing Orders of the Council may be performed by the Deputy Section 151 Officer in the absence of the Strategic Director for Corporate Resources (Section 151 Officer).

(c) Financial Reports

The relevant Strategic Directors are responsible for ensuring that draft copies of all reports having any financial implications shall be submitted to the Strategic Director for Corporate Resources in sufficient time prior to the meeting of the Executive, Scrutiny Committee or other such Committees which receive financial reports so as to enable the Strategic Director for Corporate Resources to make such observations and submissions as they consider appropriate.

(d) Accounting Records

- (i) All financial records and systems of the Council shall be maintained in a form agreed by the Strategic Director for Corporate Resources. Financial and accounting systems shall incorporate controls to ensure that:
 - All data input is genuine, accurate, timely and not duplicated
 - All processing of data is carried out in an accurate, complete and timely manner
 - Output from the system is complete, accurate and timely
 - Segregation of duties is built into business processes to reduce the risk of fraud
 - All transactions and activities have a clear trail of accountability by authorised, responsible officers
 - Appropriate authorisation levels are set for all staff
 - Records and data are securely retained and in accordance with data protection guidance

- (ii) The Strategic Director for Corporate Resources shall be responsible for the preparation of the annual accounts of the Council and shall as soon as is practicable after the end of each financial year report in writing to the Audit and Governance Committee.
- (iii) The Strategic Director for Corporate Resources shall be responsible for the prompt submission of all grant claims, financial statistics and other returns having financial implications.

(e) Monitoring Officer

The Monitoring Officer shall be the Head of Service, Legal & Democratic Services.

The Monitoring Officer is responsible for:

- (i) Ensuring that reports encompass the statutory obligations with regard to their legal and financial advice and content

The Monitoring Officer together with the Section 151 Officer is responsible for advising Members about whether a decision is likely to be considered contrary or not wholly in accordance with financial regulations.

3. Financial Planning

- (a) General Fund and Housing Revenue Account, capital and revenue estimates of expenditure and income, shall be prepared by the Strategic Directors in consultation with the Strategic Director for Corporate Resources. These shall be submitted to Council through the Executive.
- (b) The Strategic Director for Corporate-Resources is also responsible for producing other medium term financial plans for the General Fund and Housing Revenue Account, as required for effective financial planning by the Authority.

4. Maintenance of Reserves

- (a) Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending should such events occur. The Strategic Director for Corporate Resources shall advise the Council on prudent levels of General Fund and HRA reserves and will comply with accepted standard codes of practice in respect of the maintenance of reserves.
- (b) Reserves for specific purposes may also be maintained and shall only be used for the purposes for which they are intended.

5. Control of Expenditure and Income

- (a) Strategic Directors may authorise the incurring of expenditure, approved in the annual estimates. This is subject to compliance with Standing Orders (of which these financial regulations are a part).

- (b) On a management unit basis no revenue expenditure shall be incurred or income reduced if this has the effect of overspending the overall net budget, for the financial year, unless a supplementary budget has been agreed by the Council.
- (c) The **Asset Improvement & Maintenance Fund (AIM) Property Maintenance Fund** is managed by the Head of Service, Asset Maintenance, but for reporting purposes covers cost centres across the Council. The Head of Service, Asset Maintenance, may vire budgets within the AIM Fund as appropriate to ensure proper property management across the Council.
- (d) Strategic Directors shall not commit the Council to expenditure beyond the year of account unless:-
 - (i) budgetary provision has been approved in the following financial year's revenue and capital estimates; or
 - (ii) budgetary provision exists within a capital budget.
- (e) Expenditure which meets the definition of capital expenditure but falls below the de minimis level of £10,000 will be accounted for as revenue expenditure.

6. Budget Changes (revenue and capital budgets)

(a) Virements

The table below sets out the thresholds in relation to budget virements between service areas that each Strategic Director is responsible for: **previously £40k and then full Council**

Virement Value	Virement Type	Authorised
Unlimited	Technical (incorrect coding, redistributing funding, pooling budgets)	Head of Service, Finance
Up to £50,000	Non-technical (budget or policy change)	Strategic Director, in consultation with SMB
£50,000 - £100,000	Non-technical	Strategic Director & Section 151 Officer, in consultation with SMB
£100,001 - £250,000	Non-technical	Section 151 Officer, Strategic Director, in consultation with SMB, followed by Portfolio Holder agreement
Over £250,000	Non-technical	Full Council

(b) Supplementary Budgets

The table below sets out the thresholds in relation to approval of supplementary budgets. These should only be for discrete purposes that emerge during the year that could not be factored into the annual budget setting process or to carry forward unspent approved budgets at the end of the financial year for specific purposes.

In all cases any new supplementary budgets during the financial year will be reported as part of the quarterly revenue and capital budget monitoring reports and approval sought from Full Council, where necessary.

Supplementary Budget Value	Type	Authorised
With identified source of finance:		
Unlimited	Technical (budget corrections e.g. recognition of expenditure with prior approval)	Head of Service, Finance
Up to £50,000 Previously £40k and then full Council	Met from additional income	Strategic Director & Section 151 Officer, in consultation with SMB
Up to £100,000	Met from earmarked reserve	Strategic Director & Section 151 Officer, in consultation with SMB
Up to £250,000	Met from external grant funding	Strategic Director & Section 151 Officer, in consultation with SMB
Over the above thresholds	All	Full Council
Without identified source of finance		
Up to £100,000	Supplementary revenue budget	Full Council via quarterly budget monitoring report
Over £100,000	Supplementary revenue budget	Full Council via separate committee report
Up to £249,999	Supplementary capital budget	Full Council via quarterly budget monitoring report
Over £250,000	Supplementary capital budget	Full Council via separate committee report

7. Fixed Asset Register

- (a) The Strategic Director for Corporate Resources shall maintain an asset register to include all land, buildings, plant and equipment or subject to a finance lease. The register shall accurately record acquisitions, disposals and revaluations.
- (b) Single assets below £10,000 are excluded from the Asset Register, unless smaller items have been purchased with an aggregate value that exceeds £10,000
- (c) Leased in assets with a value greater than £10,000 will be recognised as Right of Use assets, unless the lease term is for 12 months or less

8. Risk Management and Control of Resources

- (a) Risk Management

The Executive is responsible for considering and approving the Risk Management Policy.

The Audit and Governance Committee is responsible for:

- (i) considering the Corporate Risk Register (CRR) and recommending its approval to the Executive.
- (ii) monitoring the effectiveness of risk management throughout the Council and the progress made against the CRR target for actions.

Risk management should ensure:

- (i) there are procedures in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the authority
- (ii) there is a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis
- (iii) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives
- (iv) provision is made for losses that might result from the risks that remain
- (v) procedures are in place to investigate claims within required timescales
- (vi) acceptable levels of risk are determined and insured against where appropriate
- (vii) the authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

(b) Internal Controls

- (i) key controls are to be reviewed on a regular basis and the authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively
- (ii) managerial control systems should include: defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities
- (iii) financial and operational control systems and procedures should include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems
- (iv) an effective internal audit function will be maintained, which is expected to operate in accordance with the principles contained in the CIPFA's Public Sector Internal Audit Standards which are overseen by the Audit & Assurance Council which oversees and with any other statutory obligations and regulations.

(c) Preventing fraud and Corruption

The City Council:

- (i) has an effective Counter Fraud Strategy and maintains a culture that will not tolerate fraud or corruption
- (ii) expects all members and employees to act with integrity and lead by example
- (iii) requires senior managers to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt
- (iv) expects high standards of conduct to be promoted amongst members by the Audit and Governance Committee

- (v) maintains a register of interests in which any hospitality or gifts accepted must be recorded
- (vi) has adopted a formal Whistle Blowing procedure
- (vii) requires all legislation, including the Public Interest Disclosure Act 1998, to be adhered to.

9. Money Laundering Reporting Officer (MLRO)

- (a) The Head of Service, Finance is appointed as the Money Laundering Reporting Officer and the Accountancy Services Manager is appointed as the Deputy Money Laundering Reporting Officer. They are responsible for notifying the National Crime Agency (NCA) of any suspected cases of money laundering
- (b) All Council officers have a duty to report any suspicions or concerns that money has occurred, or could occur, is report to the MLRO immediately; as soon as the suspicion arises.
- (c) Cash receipt limit £5,000

10. Internal Audit

The Strategic Director for Corporate Resources shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the Accounts and Audit Regulations.

Internal audit evaluates and reports on the adequacy of the Council's control systems in securing the proper, economic, efficient and effective use of resources. Internal Audit is provided through South West Audit Partnership (SWAP).

- (a) Internal Audit may investigate such financial records, systems and management procedures of the Council and its employees as considered necessary for the purposes of audit. For this purpose Internal Audit shall have authority at all reasonable times to visit all Council establishments and have access to all records and property of the Council and may require such explanations/assistance as they consider necessary.
- (b) All employees of the Council through their Strategic Director, shall immediately notify Internal Audit of any circumstances which suggest the possibility of irregularity in cash, stock or any other matter which may have financial consequences.
- (c) On confirmation of any irregularity or reasonable suspicion thereof, Internal Audit shall advise the Chief Executive, Strategic Director for Corporate Resources and the Monitoring Officer as appropriate.
- (d) The audit arrangements of any shared service shall form part of the agreement for that shared service.

11. External Audit

Each financial year the Council is subject to an external audit of its statutory financial statements and arrangements for value for money. The external auditors must be satisfied that the statement of accounts present a true and fair view of the financial position of the Council and its income and expenditure for the year and complies with

the statutory requirements as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

- (a) The Strategic Director for Corporate Resources shall ensure there is effective liaison between external and internal audit
- (b) The Strategic Directors and Heads of Service shall ensure external audit are given access at reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

12. Orders for Goods, Work or Services

- (a) Official orders shall be raised in the Council's eProcurement system by an Order Requisitioner, as nominated for each service area, and confirmed by an Approved Authoriser. Orders must include; the nature and/or quantity of goods, materials, work or services to be supplied to the Council, and the estimated cost. Orders must:
 - (i) Be allocated to the correct financial and VAT code(s).
 - (ii) Only commit the Council to expenditure which is within the approved budgets
- (b) Official Orders must be issued for all goods, materials, work or services to be supplied to the Council, unless the Strategic Director for Corporate Resources approves exceptions to ordering where circumstances or trading practice make this desirable. Oral orders shall only be given in the case of expediency and must be confirmed by an official order not later than the next working day.
- (c) Strategic Directors and Heads of Service shall notify the Strategic Director for Corporate Resources of employees authorised to raise (Order Requisitioner) and approve orders (Order Authorisers) on their behalf.
- (d) The Officer authorising an order shall be senior to the Officer ordering the goods. This authorisation may be made either by e-mail or in writing if the relevant Officer is not able to authorise directly on the system.
- (e) Every officer requesting an official order shall ensure, as far as is reasonably practicable, in respect of each transaction, that goods, materials or service ordered are obtained on the best possible terms in respect of cost and quality and represent value for money

A limited number of order books are in use to expedite purchases. The arrangements for the ordering, receipt and issue of all order books shall be controlled by the Strategic Director for Corporate Resources.

13. Payment of Accounts

- (a) The Order Requisitioner shall be responsible for goods receipting (GRN) to validate the receipt of ordered goods or services, which will allow payment of the relevant invoice.

GRN may be completed, subject to the following tolerances:

	+	-
--	---	---

GRN	£50	£5,000
-----	-----	--------

Changes in excess of £50 will require an amendment to the order and re-approval by an Authorising Officer.

- (b) The matters to be certified by the spending unit, subject to such selective examination of invoices as may be determined by the Strategic Director for Corporate Resources and Strategic Directors concerned shall include:-
- (i) That the goods have been received, examined and approved as to quality and quantity or services rendered or work done satisfactorily.
 - (ii) That the price charged is correct and the appropriate discounts, allowances and other credits have been deducted.
 - (iii) That the account has not previously been passed for payment.
 - (iv) That the account is arithmetically correct.
 - (v) That income tax is correctly accounted for in respect of sub-contractors / contractors
- (c) Once an order has been goods receipted, the relevant invoice will automatically be paid, subject to the following tolerance levels:

	+	-
Auto match	£0.05	£0.05

- (d) Authorised officers may approve orders to be manually matched for payment by Accounts Payable in the event the auto match between the GRN and invoices fails within the following tolerances:

	+	-
Manual match	£50	£50

Changes in excess of these tolerances will require an amendment to the order and re-approval by an Authorising Officer.

- (e) Orders, GRN and invoices shall be administered by Units promptly so that they can be included in the payment runs and support the payment of invoices in accordance with their payment due dates and secure entitlement to any early payment discounts.
- (f) The Strategic Director for Corporate Resources shall examine, so far as considered necessary, accounts passed for payment, including the final accounts of contracts, and shall be entitled to receive such information and explanations as may be required to ensure that the accounts are in order, before payment is made.

14. Credit Notes

- (a) Credit notes amend or correct previously issued invoices from suppliers. A credit note will be registered to offset against other unpaid invoices from the same supplier.

If credit notes cannot be offset against other unpaid invoices, within 6 months, then each Strategic Director shall be responsible for obtaining refunds pertaining to their service areas.

15. Banking Arrangements and Cheques

- (a) All banking arrangements shall be made by the Strategic Director for Corporate Resources.
- (b) Only cheques for presentation purposes are issued and shall be ordered by the Strategic Director for Corporate Resources.
- ~~(b) Cheques shall be ordered only by the Strategic Director for Corporate Resources who shall ensure that arrangements are made for their safe custody.~~
- ~~(c) All cheques drawn shall be signed by the Strategic Director for Corporate Resources or as otherwise approved by the Council or shall bear the facsimile signature of the Strategic Director for Corporate Resources.~~
- (d) The Strategic Director for Corporate Resources shall be authorised to open such bank accounts as considered necessary in consultation with the Executive member with relevant portfolio.

16. Income

- (a) Arrangements for the collection and banking of all monies due to the Council shall be under the control of the Strategic Director for Corporate Resources.
- (b) All official receipts shall be in a form approved by the Strategic Director for Corporate Resources
 - (i) No employee shall give a receipt for money received on behalf of the Council on any form other than the official receipt.
- (c) Every Strategic Director shall maintain a correct and chronological record of all monies received and of the date and amount of deposit.
- (d) All monies received on behalf of the Council shall be paid over intact, either to the Strategic Director for Corporate Resources or, by arrangement with them, direct to the Council's bankers.

17. Security of Cash

Each Strategic Director shall be responsible for ensuring the safe custody of cash, including petty cash floats and documents having a cash value entrusted to their care. ~~These arrangements shall be approved by Internal Audit.~~

18. Imprest Accounts

The Strategic Director for Corporate Resources in consultation with a Strategic Director may advance cash floats to employees for the purpose of defraying certain minor expenses and other items. Each Strategic Director shall be responsible for maintaining

arrangements and records for the control of imprests. in a manner prescribed by Internal Audit.

19. Debtors

- (a) Strategic Directors shall supply to the Strategic Director for Corporate Resources such information in connection with work done, goods supplied, or services rendered on behalf of the Council and of all other amounts accruing to ensure prompt recording and collection of all amounts due to the Council.
- (i) The Strategic Director is responsible for ensuring that the invoice has been allocated the correct financial and VAT code(s)
- (b) The Strategic Directors issuing an invoice for monies due to the Council shall be responsible for the collection of the debt. Invoices must be raised promptly after delivery of goods or completion of the service. Where possible payment should be taken in advance or at the time of providing the goods or services

If monies are outstanding after normal recovery processes reminder letters have been issued, the Strategic Directors shall advise the Strategic Director for Corporate Resources of the details relating to the invoice and both shall agree what course of action should be taken, which may include:

- Continued direct contact with the debtor;
 - Arrangement of an instalment plan to recover the debt;
 - Use of an enforcement agency;
 - Use of legal support;
 - Any other options identified.
- (c) Only invoices in excess of £10 will be raised, on the basis that invoices below this value are uneconomical, unless there is a valid reason.
- (d) **Debtor Write-offs**
The table below sets out the thresholds in relation to writing off outstanding income, including, but not limited to; sundry debtors, housing rents, council tax (and Council Tax Support), business rates and overpaid housing benefits.

Write-off Value	Type	Authorised
Unlimited	Irrecoverable debts due to bankruptcy, liquidation, insolvency, death, no trace, time bar, error	Head of Service, Finance
Up to £10,000	General	Relevant Head of Service & Section 151 Officer *
£10,001 - £50,000	General	Strategic Director & Section 151 Officer
£50,001 - £100,000		Section 151 Officer, Strategic Director & Portfolio Holder
Over £100,000	General	Full Council

*Where the relevant Head of Service is the Head of Service Finance, then the Section 151 Officer will need to approve

- (e) Write-offs up to a value of £5 shall be treated as cancellations.
- (f) Credit balances (overpayments) will be transferred to outstanding sundry debtor invoices pertaining to the same debtor, if no balance exists then the credit balance will be refunded to the customer.
- (g) Credit balances that cannot be transferred, due to no active account, or are unable to be refunded (unable to trace debtor, cease to exist) shall be credited to the respective service area.
- ~~(e) The Strategic Director for Corporate Resources shall be authorised to write-off individual overpayments of housing benefits up to a limit of £1,000.~~
- ~~— The writing-off of individual housing benefits overpayments in excess of £1,000 shall be subject to consultation with the Executive member with relevant portfolio.~~
- (h) The Strategic Director for Corporate Resources shall present an annual report to the Relevant Committee outlining the number and detail of the decisions taken in respect of bad debts

20. Fees and Charges

- (a) Except where existing Council policy or statute requires otherwise, all proposals to introduce and vary charges for services shall be subject to the approval of the appropriate Strategic Director in consultation with the relevant Portfolio Holder and can be varied throughout the year. The Strategic Director for Corporate Resources shall be informed of all variations and new charges introduced. Schedules of existing fees and charges shall be submitted to the Council through the Executive annually. Commercially sensitive fees and charges need not be published.
- (b) Property rental income shall be reviewed in accordance with rent review dates except where statutory provisions apply.

21. Internal Transactions

- (a) Internal transactions are transactions within the Council, which do not involve a third party and include internal recharges, cost apportionments or allocation (e.g. central support costs).
- (b) Invoices are not raised for internal transactions, unless there is a valid reason.
- (c) The Strategic Director for Corporate Resources is responsible for ensuring that there is a transparent method of calculation for all internal recharges and that they are regularly reviewed.
- (d) Central support costs are only charged to service recipients that are required to be maintained on a total cost basis, including the Housing Revenue Account.

22. Disposal of Assets

- (a) The sale of any land or buildings which fall outside the powers given to employees in the scheme of delegations shall require the prior approval of the Executive.
- (b) In all cases, the Strategic Director for Corporate Resources shall be notified of any asset disposals.
- (c) The table below sets out the thresholds in relation to the disposal of vehicles, plant and equipment only:

Disposal Value	Method	Authorised
Up to £1,000 previously £150	Best price	Strategic Director
£1,001 - £5,000 previously £150 - £1,000	Best price	Strategic Director and Section 151 Officer
Over £5,000 previously £1,000	Competitive tender	Strategic Director, Section 151 Officer and relevant Portfolio Holder

- (b) (i) ~~The disposal of assets individually valued at less than £150 may be undertaken at the discretion of the Strategic Director. The Strategic Director shall maintain appropriate records and shall immediately inform Internal Audit and the Strategic Director for Corporate Resources of such disposals.~~
- (ii) ~~The disposal of assets individually valued in excess of £150 but less than £1,000 may be undertaken by the Strategic Director with the written approval of the Strategic Director for Corporate Resources. The Strategic Director shall maintain appropriate records of such disposals and inform Internal Audit.~~
- (iii) ~~Proposals for the disposal of other assets individually valued in excess of £1,000 shall at first be referred to the Strategic Director for Corporate Resources and be subject to a tender process before seeking the consent of the Executive Member with Relevant Portfolio. The Strategic Director shall maintain appropriate records of such disposals and inform Internal Audit.~~
- (iv) ~~The disposal of vehicles, plant and equipment valued in excess of £1000 be delegated to the relevant Strategic Director via auction or other such appropriate mechanism subject to the prior written approval of the Strategic Director for Corporate Resources. Internal Audit must be informed of each disposal.~~
- (d) The disposal of any museum exhibit or artefact shall be in accordance with the Council's policy and will require prior consultation with the Leader and Executive Member with Relevant Portfolio.
- (e) Any IT equipment (including laptops, printers, cameras, mobile devices and any other peripheral items) ~~is owned by Strata Service Solutions and must therefore be returned to Strata when no longer required.~~

23. Leases

- (a) Each Strategic Director shall promptly notify the Strategic Director for Corporate Resources of any new leases entered into, as the Council (as lessee) is required to recognise assets and liabilities for all leases, unless the lease term is less than 12 months or the underlying asset is valued at less than £10,000.
- (b) Unless an arrangement is exempt because it is short term or involves assets of low value, the Strategic Director for Corporate Resources will account for a lease by carrying in the balance sheet a right-of-use asset representing the economic benefits and service potential over which the authority has obtained control for the lease term, together with a liability for the payments it will make for the acquisition of those rights.

24. Investments and Loans

- (a) The Council will create and maintain, as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMPs), 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 treasury management policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Treasury Management in Public Services Code, subject only to amendment where necessary to reflect the particular circumstances of Exeter City Council. Such amendments will not result in a material deviation from the Code's key principles.

- (b) The Council's Executive will receive reports on its treasury management policies, practices and activities, including, as a minimum:
 - An annual treasury management strategy including as a minimum an annual strategy and plan in advance of the year
 - A mid-year review
 - An annual report after the end of the financial year in the form prescribed in the TMPs.
- (c) The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Strategic Director for Corporate Resources, who will act in accordance with the Council's policy statement and TMPs and, if a CIPFA member, with CIPFAs standards of Professional Practice on Treasury Management.
- (d) The Council designates the Customer Focus Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

25. Insurance

- (a) The Strategic Director for Corporate Resources shall effect all insurance cover.
- (b) Arrangements for the processing and negotiating claims shall be made by the Strategic Director for Corporate Resources.
- (c) Each Strategic Director shall promptly notify the Strategic Director for Corporate Resources of the extent and nature of all new risks to be insured and of any alteration affecting insurable risks in their unit.
- (d) All insurance cover shall be reviewed annually by the Strategic Director for Corporate Resources.
- (e) Each Strategic Director shall immediately notify the Strategic Director for Corporate Resources of any claim made in writing outlining the circumstances under which any loss, liability or damage or any event likely to lead to a claim being made. For the avoidance of doubt, claims can be submitted via electronic means where possible.
- (f) All property insurable incidents should be reported to the Systems and Insurance Manager, to enable the Council to initiate an insurance claim, if sufficient losses are recorded in a year.

26. Stock

- (a) The Strategic Director shall be responsible for the custody and control of stock and equipment in their unit and records, ~~records of which shall be maintained in a form to be approved by Internal Audit.~~
- (b) The Strategic Director shall carry out an annual stock-take of such items as ~~agreed by Internal Audit.~~ Except where agreed, the stock-taking shall be carried out by some person independent of the stockholder concerned.
- (c) Subject to Financial Regulation 12, each Strategic Director shall be responsible for making arrangements to dispose of all obsolete and perishable stock within the year of obsolescence in their unit. Stock disposals should be notified to the Strategic Director for Corporate Resources. ~~Internal Audit.~~

27. Employees Records and Payments

- (a) The arrangements for the calculation of all salaries, wages, compensation and other ~~emoluments~~ **benefits** to employees or former employees of the Council shall be approved by the Head of Service, HR, Workforce Planning & OD.
- (b) These arrangements shall include the maintenance of all necessary records concerning pay, superannuation, national insurance and taxation. Strategic Director shall ensure that sufficient information is provided to the Head of Service, HR, Workforce Planning & OD for this purpose.
- (c) The making of all payments to employees and former employees of the Council in respect of salaries, wages, compensation and other ~~emoluments~~ **benefits** shall be

under the direct control of the Chief Executive. It shall be the duty of the Head of Service, HR, Workforce Planning & OD to notify the Strategic Director for Corporate Resources promptly of all appointments, dismissals, resignations, transfers and any changes in rate of remuneration (other than normal annual increments) of all salaried employees of the Council. In addition, Strategic Directors shall notify the Head of Service, HR, Workforce Planning & OD promptly regarding sickness and absence from duty, other than paid leave in respect of all employees in their units.

- (d) The Head of Service, HR, Workforce Planning & OD shall ensure that employees leaving the employment of the Council have repaid, in full, any loans or sums owed to the Council.

In the event that, in the opinion of the Head of Service, HR, Workforce Planning & OD, the amount outstanding is so substantial, that it would be unreasonable to deduct all monies owed from the employee's salary, then the Head of Service, HR, Workforce Planning & OD, shall in consultation with Strategic Director for Corporate Resources agree a repayment plan with the debtor to clear the outstanding balance in full within a reasonable period of time.

- (e) The Chief Executive shall be authorised to arrange for the implementation of any nationally agreed salary or wage award.
- (f) In all cases where sickness or injury allowances are paid to an employee who may have a legal right to damages, including loss of earnings, against a third party, it shall be the duty of the Strategic Director concerned to notify the Strategic Director for Corporate Resources of the fact that a third-party claim may be made. The Head of Service, HR, Workforce Planning & OD shall follow up all such payments and ensure that, as appropriate, sickness pay is recovered from the employee.
- (g) On the recommendation of the Strategic Director, the Strategic Director for Corporate Resources may approve a reimbursement up to a maximum of £200 for any losses or expenses incurred by employees resulting from loss of, or damage to, their clothing or personal effects, arising out of, or during the course of, their employment, and which are not covered by insurance. For the purposes of this regulation any person carrying out work for or on behalf of the Council or any of its employees in an official capacity (including a member) shall be deemed to be an employee. Any claim where there is a potential risk of personal injury shall be referred to the Council's insurers.

28. Partnerships and Third Parties

- (a) Partnerships
 - (i) The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local, private, voluntary and community sector organisations.
 - (ii) The Executive can delegate functions - including those relating to partnerships - to officers. Where functions are delegated, the Executive remains accountable for them to full Council.

- (iii) The Strategic Director for Corporate Resources shall ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. They must ensure that risks have been fully appraised before arrangements are entered into with external bodies.
- (iv) The Strategic Director for Corporate Resources shall advise on effective controls that will ensure resources are not wasted.
- (v) The Strategic Director for Corporate Resources shall advise on the key elements of funding a project. In particular this includes:-
 - A scheme appraisal for financial viability in both the current and future years
 - Risk appraisal and management
 - Resourcing including taxation issue
 - Audit, security and control requirements
 - Carry forward arrangements

(b) External Funding

The Strategic Directors shall be responsible for promptly notifying the Strategic Director for Corporate Resources of all external funding awarded.

The Strategic Director for Corporate Resources shall be responsible for ensuring that all funding notified by external bodies is received and properly recorded in the authority's accounts.

(c) Work For Third Parties

The Executive is responsible for approving the contractual arrangements for any work for third parties or external bodies.

29. Corporate Credit Cards

- (a) ~~The Director Finance in consultation with the Chief Executive and the relevant Strategic Director~~ may authorise the issue a corporate credit card to enable goods, works or services to be procured on behalf of the Council. Once notified, Strategic Director for Corporate Resources will arrange the credit card. the Officers issued with a credit card are responsible for the physical security and use of the card.
- (b) Each Credit Card holder shall be required to sign a form agreeing to their responsibilities as a card holder. This includes ensuring the card and card details are held securely at all times.
- (c) **The card must not be used for personal use or to avoid processing order through eProcurement.**
- (d) Each credit card holder/authorised user is responsible for:
 - (i) Ensuring that proper authorisation is held prior to an order and payment being made
 - (ii) Checking that sufficient budget is in place to fund the purchase

- (iii) As far as is reasonably practicable, that the goods, works, materials or service procured are obtained at the best possible terms in respect of cost, quality, compatibility and durability
 - (iv) The card is only used for bona fide and secure transactions
 - (iv) Obtaining the required proofs of purchase including VAT receipts where appropriate to enable the Council to reclaim such expenditure. Where a VAT receipt has not been received, it is the responsibility of the holder/user to ensure that a VAT receipt is obtained as soon as possible
 - (v) Ensuring that the goods have been received, and are of satisfactory quality and quantity
 - (vi) That appropriate entries have been made in inventories or stock records to record the items procured
- (e) Each credit card holder is responsible for:
- (i) ensuring that the price charged is correct and as agreed
 - (ii) submitting a monthly reconciled account, together with all proofs of purchase and VAT receipts, to the Strategic Director for Corporate Resources promptly.
- (e) The duties of certifying payment and receiving the goods, works, materials or services procured shall not be performed by the same employee, except where this has been agreed with the Strategic Director for Corporate Resources.
- (f) Where a credit card holder or user gives notice to terminate their employment with the Council (or is to change duties within the Council), the Strategic Director for Corporate Resources must be immediately notified so that arrangements may be made to restrict their ability to use the card after the termination/transfer date.

30. Urgency

Notwithstanding the foregoing regulations, in cases of urgency the appropriate Chief Executive in consultation with the Executive member with Relevant Portfolio, and Strategic Director for Corporate Resources shall have the power to authorise on behalf of the Council the incurring of any expenditure or any action which would otherwise be contrary to these regulations. The exercise of this authority shall in every case be reported to the next meeting of Executive.