

Draft Financial Procedure Rules for West Surrey Council

Financial Procedure Rule (FR)	Description
	Introduction
FR1	Scope of Financial Procedure Rules
FR2	Roles and Responsibilities
FR3	Information Affecting the Council's Finances
FR4	Preparation of Financial Plans
FR5	Authority to incur Revenue Expenditure
FR6	Financial Monitoring
FR7	Virement of Revenue Budgets
FR8	Fees and Charges, Commercial Activities
FR9	Council Tax and National Non-Domestic Rates
FR10	Carry Forward of Unspent Budgets
FR11	Reserves
FR12	Authority to incur Capital Expenditure
FR13	Monitoring the Capital Programme
FR14	Financial Accounts
FR15	Duty to carry out Audit
FR16	Financial Irregularities
FR17	Ordering Procedures
FR18	Consultants and Contractors
FR19	Contracting Arrangements
FR20	Payment of Salaries and Wages
FR21	Income Collection and Banking Arrangements
FR22	Adult Social Care Assessed Fees & Charges Debt Management and Bad Debt Write Off
FR23	Debt Management and Bad Debt Write Offs Not Relating to Adult Social Care Assessed Fees & Charges
FR24	Assets
FR25	Stocks and Stores
FR26	Estates
FR27	Risk Management and Insurance
FR28	Treasury Management

Introduction

Financial Procedure Rules provide a framework within which all staff can carry out their responsibilities in an open and consistent manner. They outline the financial responsibilities of all officers and members of the Council, and have been designed to promote and maintain the high standards expected of the public sector in dealing with financial and other resources financed from taxation by:

- placing clear accountability with officers appointed to manage resources;
- and establishing key principles and processes which they should follow, supported by detailed operating arrangements approved by the Section 151 Officer.

Section 151 of the Local Government Act 1972 requires local authorities to plan for the proper administration of their financial affairs and appoint a Chief Finance Officer (**Section 151 Officer**) to have responsibility for those arrangements.

Whilst responsibility for the administration of the Council's financial affairs lies with the Section 151 Officer, all individuals engaged in Council activities are responsible for financial governance, ensuring that their actions comply with Financial Procedure Rules.

Hosted Services

Services hosted by other authorities on behalf of West Surrey Council or by West Surrey on behalf on other authorities, as set out in a hosting agreement, will deliver their service in accordance with the relevant Financial Procedure Rules and governance rules for the Authority who is the beneficiary of the service including adherence to terms laid out in the Inter Authority Agreement (IAA).

Members of the Council Executive and Executive Directors hold a dual role to ensure that services, strategic policies and priorities are delivered within resources and meet all fiduciary responsibilities, recommendations to Council are deliverable and that they support Budget Managers to spend within the Budget Envelopes.

The **Accountable Budget Officer (ABO)** (Executive Directors, Service and Assistant Directors, Heads of Service and other officers deemed to be Senior Officers) has overall accountability for a group of budgets. The ABO is ultimately accountable for ensuring effective planning and management of their budgets to deliver their service priorities within the agreed budget envelope.

A **Budget Manager** has day to day responsibility for the management of the budget of one or a group of services or projects under the oversight of an ABO. Their key responsibility is to make best use of financial resources through good planning and management, taking corrective action where required. They may be responsible for enacting the efficiency plans under the oversight of the ABO.

The **Corporate Finance service** have the responsibility to work as business partners alongside other officers and members, assisting with monitoring expenditure and income and providing challenge to financial decision-makers at all levels.

All officers with responsibility for undertaking financial duties are required to comply with these rules. The Section 151 Officer is, in turn, accountable to Council. The Financial Procedure Rules and supporting documents are initially to be reviewed every 6 months until such time as the Audit and

Governance Committee agree to them being reviewed annually and will be developed further in line with any cultural changes and transformation plans the Council is working towards.

Locally managed schools have their own financial governance and rules, which are set out in the West Surrey Scheme of Financing Schools and the Schools' Finance Manual.

The Financial Procedure Rules should be read in conjunction with the Council's:

- Anti-Fraud and Corruption Strategy and Framework
- Business Continuity Plan Guidance
- Risk Management Strategy
- Whistleblowing Policy
- Procurement and Contract Procedure Rules

FINANCIAL PROCEDURE RULE 1 - SCOPE OF FINANCIAL PROCEDURE RULES

FR1.1 The Financial Procedure Rules are binding on all Council members and officers, including contractors, agency staff, and anyone acting on behalf of the Council, including elected members.

FR1.2 Financial Procedure Rules are part of the Council's Constitution. Financial Procedure Rules may only be amended by Full Council.

FINANCIAL PROCEDURE RULE 2 - ROLES AND RESPONSIBILITIES

Council

FR2.1 Council members, acting as the Full Council, are responsible for approving:

- Overall policy framework
- Medium Term Financial Strategy
- Annual Revenue and Capital Budgets
- Prudential Indicators for treasury management
- Limits on virements between budgets
- Capital Strategy
- Investment Strategy
- Treasury Management Strategy
- Annual Housing Revenue Account Budget
- Housing Revenue Account 30-year-plan

Executive

FR2.2 The Executive is responsible for proposing the policy framework and budget to the Full Council and for the discharge of executive functions in accordance with it. Decisions can be delegated to individual executive members or officers in line with the Scheme of Delegation.

Section 151 Officer

FR2.3 The Section 151 Officer's role and responsibilities are set out in statute and are governed by (but not restricted to):

- Section 151 of the Local Government Act 1972;
- Section 114 of the Local Government Finance Act 1988;
- Local Government and Housing Act 1989;
- Local Government Act 2003; and
- Accounts and Audit Regulations 2015.

FR2.4 All financial procedures and records shall be subject to their approval. Under The Accounts and Audit Regulations, the Section 151 Officer is responsible for the financial management of the Council, sound systems of internal control, risk management, and at least once in a year, a review of the effectiveness of the system of internal control.

FR2.5 The Section 151 Officer will determine the administrative and accounting arrangements for the housing revenue account subject to all relevant statutory provisions and any guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG).

FR2.6 The Section 151 Officer will provide guidance on the apportionment of support and overhead costs between the general fund and housing revenue account. Any apportionment of costs must be fair to both council tenants and council taxpayers.

FR2.7 The Section 151 Officer is responsible for ensuring any borrowing, including for housebuilding, is undertaken in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code of Practice and the Council's approved prudential borrowing indicators.

FR2.8 The Section 151 Officer is responsible for the day-to-day management of the Council's financial affairs. They shall provide information and assistance to all officers to help them carry out their responsibilities for effecting the sound financial management of their services.

FR2.9 The Section 151 Officer shall report to members on the overall budget performance, delivery of savings and transformational programmes and recommend corrective action as and when required. They shall ensure, as far as practicable, Financial Procedure Rules and supporting policies protect the Council against any unlawful financial transactions or actions.

FR2.10 The Section 151 Officer must be given access to any necessary information to comply with their statutory duties.

FR2.11 The Section 151 Officer will ensure that procedures are documented and made available to users for those financial systems identified as business critical.

FR2.12 The Section 151 Officer shall, after consultation with the Chief Executive, report any non-compliance with these rules which they consider to be a significant risk. A significant risk will be the judgement of the S151 officer but would be determined with reference to whether the non-compliance could result in material financial loss, inaccurate financial reporting, misuse or misappropriation of funds, fraud, breach of statutory or regulatory obligations or significant failure of financial accountability and control. The report shall be made to the Leader and to the Audit and Governance Committee and any other relevant Committee depending on the circumstances.

FR2.13 The Section 151 Officer can nominate a Deputy Section 151 Officer or Officers that have the same role and responsibilities in the absence of the Section 151 Officer.

Senior Officers (Chief Executive, Executive Directors, Directors, Service and Assistant Directors, Head of Service, other designated officers)

FR2.14 Senior Officers have individual and collective responsibility to ensure that the Seven Principles of Public Life i.e. The Nolan Principles are applied in all matters relating to financial activity of the council. These are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

FR2.15 Senior Officers of West Surrey Council have overall accountability for their revenue budgets and are ultimately accountable for ensuring effective planning and management to deliver service priorities and outcomes within the agreed budget envelope, whilst reporting any variations and working to rectify them as soon as possible.

FR2.16 Senior Officers may delegate day to day management to a Budget Manager in their directorate or service, provided that a list of officers so authorised shall be supplied to the Section 151 Officer. Although day to day management of a budget may be delegated, responsibility and accountability for budget management, pressures, efficiencies, risks and controls remain firmly with Senior Officers. Effective management of resources is a fundamental requirement of managers and failure to manage budgets will be investigated under the disciplinary procedure. Persistent or significant failure could constitute gross misconduct. Accountable Budget Officers will be required by the s151 Officer to formally acknowledge their responsibilities and budget remit for both revenue and capital, annually.

FR2.17 Senior Officers shall propose annual revenue and capital budgets for each service within the budget guidelines agreed by the Executive.

Budget Managers

FR2.18 Budget Managers should make all relevant staff aware of these rules (and associated documents) and highlight the relevance and compliance of the rules to team members.

FR2.19 Budget Managers are accountable for their budget areas and for managing income and expenditure and ensuring value for money in service delivery. Budget Managers are responsible for taking action to recover and to report on any budgetary variances, and for reporting to Senior Officers if there is a possibility that budgets may be overspent. Effective management of resources is a fundamental requirement of Budget Managers and failure to manage the budget properly will be investigated under the Council's disciplinary procedure.

FR2.20 Budget managers are responsible for the budget narrative that informs the monthly reports to Directorate Leadership Teams (DLT), the Corporate Leadership Team (CLT) and to members. Finance officers are available to support this process.

FR2.21 Senior Officers and Budget Managers are responsible for ensuring that all staff, contractors, agency staff working in their directorates, anyone acting on behalf of the Council and elected members are aware of the existence and content of the Council's Financial Procedure Rules and other internal regulatory documents and that they comply with them. They must also ensure that there is adequate availability of and access to the current version of Financial Procedure Rules.

FINANCIAL PROCEDURE RULE 3 - INFORMATION AFFECTING THE COUNCIL'S FINANCES

FR3.1 Where a matter arises in any Directorate which could materially affect the Council's finances, other than a matter already approved, Senior Officers shall consult the Section 151 Officer before any provisional expenditure is incurred or any commitment given.

FR3.2 All Executive reports shall contain a section dealing with the financial implications of the matter(s) covered by the report and shall be submitted to the Section 151 Officer, who shall satisfy themselves that the financial information is comprehensive and accurate before the report is finalised and published. Other committee reports that contain financial implications should follow the same process.

FINANCIAL PROCEDURE RULE 4 - PREPARATION OF FINANCIAL PLANS

FR4.1 The Section 151 Officer, in consultation with the Chief Executive, shall advise the Executive each year on the timescales and procedures to be adopted for the formulation of all Financial Plans including the Medium Term Financial Strategy, Annual Revenue Budget, Council Tax Requirement, Capital Strategy, Investment Strategy, Capital Programme, Treasury Management Strategy and a Housing Revenue Account annual budget and Business Plan. The Executive shall agree a timetable which will include stages for consultation with Overview and Scrutiny and appropriate Select Committees and other appropriate stakeholders. Members will be actively involved in scrutiny of budget proposals ahead of submission to the Executive and Council, and subsequently in the monitoring of progress.

FR4.2 Senior Officers shall adhere to the agreed timescales and procedures in providing the information required to enable the preparation of financial plans.

FR4.3 In accordance with the agreed timescales, the Section 151 Officer shall submit a report to the Executive, taking account of the views of appropriate committees, with the information required to enable the Executive to recommend a Capital Strategy and Programme, Revenue Budget and Council Tax requirement for the following financial year to Council. The report will comment on the robustness of the budget proposals submitted for approval in compliance with the requirements of Section 25 of the Local Government Act 2003.

FR4.4 Any additional expenditure not already included in the existing Revenue Budget must be found from corresponding savings/efficiencies/additional income in other areas. Income budgets must also be monitored to ensure collection of all fees and charges or other income is achieved.

FR4.5 Senior Officers, in consultation with the Section 151 Officer, shall make appropriate arrangements for the effective identification, progression and management of external funding and partnership opportunities (hereafter referred to as "funding opportunities") applicable to their service area.

FR4.6 All bids for funding opportunities for externally funded schemes shall be made in consultation with the Section 151 Officer or their deputies before a bid is submitted. Bids must take into account all officer time, work which will have to be undertaken in all services/directorates to implement the scheme and all costs which must be met by the Council, in consultation with the appropriate Senior Finance Manager. Some applications may require member approval, as set out in the Constitution, particularly where the Council is entering into contractual arrangements. Costings in funding bids

should, wherever possible, include direct, indirect, and overhead costs, using the Commercial Rate Card as a guide.

FR4.7 All officers engaged in the progression of such schemes shall adhere to these Financial Procedure Rules, the Council's Procurement Rules and any other directions or instructions given by the Council. Where the Council has been defined by the funder as the Accountable Body for a scheme, Financial Procedure Rules applies equally to the staff of any partnering organisations in respect of the scheme.

FR4.8 Where a third party works in partnership with the Council in delivering an externally funded project, officers must ensure that a third-party agreement is in place which reflects the terms and conditions of the funding agreement between the Council and the external funder. The responsible officer shall ensure that the third-party complies with the third-party agreement to safeguard the Council's position regarding compliance with its agreement with the funder. For all significant arrangements, the advice of the Monitoring Officer should be taken on the structure and content of any agreement.

FR4.9 Further guidance on preparation of financial plans timescales and procedures, submission and monitoring of capital schemes, roles and responsibilities, and funding proposals and process can be sought from the appropriate Senior Finance Manager.

FINANCIAL PROCEDURE RULE 5 - AUTHORITY TO INCUR REVENUE EXPENDITURE

FR5.1 Budget Managers are authorised to incur expenditure up to the amounts included in their approved budget. Budget managers are ultimately accountable for the spending within their budget areas. Although day to day budget management may be delegated to other budget managers, the responsibility for financial approval must remain with the budget manager. Approval workflows built into the General Ledger system are as follows:

Management Tier	Approve up to
Tier 7	£1,000
Tier 6	£10,000
Tier 5	£20,000
Tier 4	£100,000
Tier 3 Director	£250,000
Tier 2 Executive Director	£500,000
S151	£500,000+

Expenditure approved this way is also subject to all other procurement rules and financial decision thresholds.

FR5.2 The Section 151 Officer shall update budgets to reflect approved variations agreed by the Executive. In addition, they shall approve amendments and update the Revenue Budget in accordance with Financial Procedure Rule 7.

FR5.3 Overspending against the approved budget is not permitted. However, a situation may arise which requires expenditure to be incurred as a matter of such urgency that there must be no delay. If there is no, or insufficient, budget provision available, the Budget Manager should, in consultation

with the relevant Senior Officer and Section 151 Officer obtain the necessary goods, and/or works, and/or services. The additional expenditure should be met by virement in accordance with Financial Procedure Rule 7.

FR5.4 The Section 151 Officer or deputies approve any non-redundancy related settlement claims (not covered by **FR5.5**) over £50,000; the appropriate Senior Finance Manager will approve anything below £50,000, subject to budget being available.

FR5.5 The approval of special and non-special severance agreements and, redundancy applications (e.g. compulsory and voluntary redundancy, ill health retirement and compensation for an injury at work payments) are covered within the Scheme of Delegation.

FINANCIAL PROCEDURE RULE 6 - FINANCIAL MONITORING

FR6.1 Individual budgets may be delegated to Budget Managers/Budget Holders within the directorate; however, Senior Officers maintain overall responsibility and are accountable for managing the budgets as detailed in FR2.16.

FR6.2 Senior Officers are responsible for delivering services within the allocated budget. It is not acceptable to overspend, and mismanagement of the budget may lead to disciplinary action.

FR6.3 Senior Officers and Budget Managers are responsible for delivering the savings/efficiencies identified within their assigned budgets.

FR6.4 Budget Managers shall provide accurate forecasts in accordance with the budget monitoring timetable. Any overspends against a single budget line must be met by a saving elsewhere within the budget. If an overall unavoidable overspend is likely to occur, the Budget Manager must notify the appropriate Senior Officer and Senior Finance Manager and provide a detailed explanation of why the overspend is truly unavoidable. Any underspends should also be reported early, as these may be required to offset unavoidable pressures elsewhere.

FR6.5 The monthly forecasts should provide coherent and detailed explanations which support the reported figures activity levels for budget variances, highlight potential budget problems progress on management actions and outline the impact on future budgets.

FR6.6 On behalf of Senior Officers, Senior Finance Managers will present monthly monitoring reports to DLTs. The Section 151 Officer will present a consolidated monthly monitoring report to CLT.

FR6.7 Using a risk-based methodology, regular financial monitoring reports shall also be prepared and submitted, in the agreed format, to DLT, CLT and the Executive.

FINANCIAL PROCEDURE RULE 7 - VIREMENT OF REVENUE BUDGETS

FR7.1 Budget approval gives Budget Managers the right to incur expenditure on behalf of the Council. Budget Managers may vire between their budget headings within the constraints outlined in the Financial Procedure Rules, in consultation with the appropriate Senior Finance Manager. Virements should not be used to adjust for under/overspends on various headings but only where a definite decision has been taken to change approved spending plans.

FR7.2 Revenue virements resulting from a change in policy or priorities (either within the same portfolio or between portfolios) will be subject to the following approval:

Amount	Minimum approval required
Up to £499,999	S151 Officer (following consultation with appropriate Executive Director)
£500,000 and above	The Executive (following consultation with relevant Executive member, Executive Director and S151

FR7.3 Exceptions to the virement rules are as follows:

Member approval is not required where a budget will continue to be used for the approved purpose but is being moved, for example, to reflect a change in budget holder responsibilities. Such transfers will however require the approval of the Director of Finance and the relevant Senior Finance Managers.

Member approval is not required for budget movements arising in order to comply with the CIPFA Service Expenditure Reporting Code of Practice guidance on accounting for overheads, or budget movements arising in order to comply with proper accounting practice. Approval is required from the relevant Senior Finance Manager and/or the Director of Finance.

FR8 – FEES AND CHARGES, COMMERCIAL ACTIVITIES

FR8.1 The Section 151 Officer shall issue guidance to all Directorates on the indicative levels of increase in fees and charges for services to ensure that as far as possible a common approach to charges and revisions of charges is adopted across the Council subject to cost recovery requirements set out in **FR8.2**.

FR8.2 Senior Officers and Budget Managers will conduct an annual review of all fees and charges, in consultation with the appropriate Senior Finance Manager, as part of the annual budget setting process. The purpose of the review would be to ensure that:

- Charges are set with the intention to recover the full cost of provision of each service where this is considered fair and reasonable in respect to historic charging policies. Any deviations should be agreed in accordance with FR8.4
- Chargeable discretionary services are not subsidised without a specific supporting policy decision; and the level of subsidy for chargeable statutory services is recorded.

The annual review will encompass a review of the budgeted income generation, direct costs and allocated costs per the Commercial Rate Card, associated benchmarking comparatives, any changes to the local economy and any changes in legalisation to statutory services.

FR8.3 Each Directorate will supply to the Finance Senior Management Team (FSMT) a list of fees and charges highlighting changes to the fee or charge, and comparative change from year to year. FSMT will consider whether any fees and charges are commercially sensitive, or politically high priority to define whether the change requires approval by the Executive or noting.

FR8.4 Once the fees and charges (discretionary and statutory) annual review has been conducted and reviewed by FSMT, within the annual budget setting timeline, the following table provides the approval and publishing delegation:

Change:		Existing fees and charges			New fees and charges
	in line with guidance or rounding ² ,	increase higher than issued guidance	Under or over recovery of costs**	part of a high-priority schedule	
Approved by:	Budget Managers	Relevant Executive Member			
In consultation with:	Appropriate Senior Finance Manager	Finance Senior Management Team			
Published in:	Noted within the Executive Budget Report *	Approved by the relevant Executive member (in year changes) or within the Executive Budget Report *			

*Or within another Executive report before the start of the new financial year. If commercially sensitive, the individual fees and charges would be considered for Part 2 Committee report

**see FR8.5 for costs recovery requirements.

FR8.5 In determining charges for discretionary services, the cost of providing the service should be calculated and fees charged to the service user in order to recover all direct, indirect and overhead costs, as well as current service costs, incurred by the Council in the delivery of the service and in compliance with relevant legislation. Regard should be given as to whether any increase is considered fair and reasonable in respect to historic charging policies. See FR8.7 regarding exceptions. Where relevant, the cost of chargeable officer time should be used as calculated by corporate finance in the Commercial Rate Card (updated annually). Senior Officers should liaise with the appropriate finance officer in relation to the proposals. Finance officers must, wherever possible, prevent an unintended subsidy of discretionary services through the under-recovery of indirect and/or ancillary costs incurred in the delivery of discretionary services. Any subsidy of discretionary services must be explicitly approved by the Executive.

FR8.6 As part of the annual review of fees and charges, Senior Officers shall also examine the possibility of introducing charges for services where no charges are currently made. This will be undertaken in consultation with Legal Services.

FR8.7 Some fees and charges may be based on part cost recovery, subject to a supporting policy decision regarding subsidy (FR8.2). Reasoning and evidence should be provided to show why the charging of full cost would be detrimental to policy aims and that no alternative provision model is available or feasible. Non-recovery of current service costs does not require approval beyond Budget Managers.

FR8.8 Where charges are assessed according to ability to pay, Senior Officers may plan for the charges to be reduced in accordance with an assessment methodology approved by the Executive.

FR8.9 Housing rents should be set and increased annually in line with the Council's rent policy, relevant tenancy agreements, and guidance issued by the Regulator of Social Housing.

Subsidiaries of the Council

FR8.10 Revenue and capital expenditure by subsidiaries is the responsibility of the respective company Boards. Expenditure that is above thresholds set in the respective companies' Articles of Association will be approved by the Council's appropriate shareholder governance board, and additionally by the appropriate strategic governance board if greater than the Key Decision Threshold.

FR8.11 Approval of business plans, oversight of business performance, and other governance matters relating to subsidiaries and other investments will be provided by the appropriate governance boards.

FINANCIAL PROCEDURE RULE 9 - COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES

FR9.1 The setting and collection of council tax and non-domestic rates is determined by legislation. The Council will set the annual rate of council tax by dividing the total council tax requirement by the council tax base. The Council may also apply specific levies to fund designated services if permitted by legislation. Other bodies in West Surrey including parish and town councils, and the Surrey Combined Fire and Rescue Authority may raise a precept on the council tax bills raised by the Council.

FR9.2 The Section 151 Officer is responsible for determining the administrative and accounting arrangements for the Council Tax collection fund. This includes approving the Council Tax base estimates.

FR9.3 As a billing authority, the Council will apply the relevant multiplier to the rateable value of each business property.

FINANCIAL PROCEDURE RULE 10 - CARRY FORWARD OF UNSPENT BUDGETS

FR10.1 The carry forward of unspent provisions in the Revenue Budget from one financial year to the next is generally not permitted except with explicit approval of the Section 151 Officer, in consultation with the Leader of the Council and Portfolio Holder for Finance. A review of such requests will take place as part of the year activities.

FR10.2 The Section 151 Officer shall, as soon as is practicable, supply a detailed list of the items and amounts approved to Senior Officers and Budget Managers. The Section 151 Officer will report specific items to members within the overall outturn report.

FR10.3 Year end balances will be transferred to and from reserves by the Section 151 Officer, in line with the Council's Reserves Policy, and with the approval of the Executive.

FINANCIAL PROCEDURE RULE 11 – RESERVES

FR11.1 Reserves will be set by the Council each year as part of the budget setting process and will be reconciled as part of the year end process with recommended actual transfers forming part of the outturn report. The Section 151 Officer will advise the Executive and Council on the prudent level of reserves and balances, considering prevailing and anticipated levels of risk and uncertainty.

FR11.2 The creation of any reserve will be subject to the approval of the Executive, upon the advice of the Section 151 Officer. For each reserve established, the purpose, and usage will be clearly articulated.

FR11.3 Increases in existing reserves come about through two routes: Through the budget setting process, the setting of which requires Full Council approval; and by transfer of an underspend into reserves in accordance with the table below:

Amount	Minimum approval required
Up to £499,999	S151 Officer (following consultation with appropriate Executive Director)
£500,000 and above	The Executive (following consultation with relevant Executive member, Executive Director and S151)

FR11.4 The Section 151 Officer shall be authorised to draw upon reserves for the agreed purposes of that reserve, subject to provision remaining available.

FINANCIAL PROCEDURE RULE 12 - AUTHORITY TO INCUR CAPITAL EXPENDITURE

FR12.1 The Council's approach to capital investment is set out in the Council's Capital Investment and Treasury Management Strategy, which is approved by Council as part of the budget setting papers each February. New schemes and projects will usually only be added to the Capital Programme as part of the annual budget setting process, however, changes, capital virements and additions may be made during the year, subject to one of three decision-making structures.

Capital expenditure relating to equity investments or investment property will be subject to assessment by the officer-led appropriate governance boards.

Capital expenditure by subsidiaries is the responsibility of the respective company Boards as detailed in **FR8.10**.

FR12.2 Capital expenditure other than on equity investments and investment property is subject to a governance route based on value and an assessment of impact and risk. New capital schemes and projects and changes to existing schemes and projects are assessed and scrutinised in up to three stages prior to being included in the Capital Programme:

	New project	Existing project*
Senior Finance Manager or their nominated officer for Information Technology, Infrastructure and Property.	Initial assessment – all values	
S151-chaired officer board	Up to £999,999	Up to £499,999 or 10% of total budget, whichever is the lower
Executive	£1,000,000+	£500,000+

* Where the scheme or project is within the approved Capital Programme Budget and does not require additional officer or member approval, based on an assessment of impact and risk.

Strategic Capital Groups comprise of the Head of Service or their nominated officer and Senior Finance Manager.

The Capital Programme Panel comprises of the Section 151 Officer or their nominated officer, the chairs of the Strategic Capital Groups and other nominated officers.

Where overarching capital programmes are included in the capital budgets approved by the Executive and Council as part of the capital budget setting progress, overarching programme strategies should also be approved by the Executive, setting out the parameters for incurring capital expenditure against these programme budgets.

Where overarching strategies delegate the approval of individual schemes to the relevant Executive Member(s) and Executive Director(s), subject to scrutiny of business cases by the S151-led officer board. Individual schemes should initially be reviewed by Capital Programme Panel and then be signed off by the relevant Executive Director(s). Final approval will be via the relevant Executive Member(s) via a formal delegated decision sheet which will be published and subject to call-in processes.

In these cases, the Executive member, Executive Director and S151-led officer board will also be responsible for ensuring, in consultation with Strategic Capital Groups, that the overarching strategy approved by the Executive remains deliverable within the overall programme budget and that key metrics, e.g. number of additional school places, will be delivered.

FR12.3 All proposed schemes must be based on a robust business case and subject to appropriate internal or external due diligence. In particular the business cases must ensure:

- Capital Programme proposals are consistent with the Council's Organisation Strategy, Capital Strategy and Investment Strategy, Asset and Place Strategy and Directorate Strategies and have a strategic mandate to proceed;
- each capital scheme or project is assessed for both financial and service risk; the proposed timetable for the scheme or project is realistic;
- and all associated revenue implications are fully quantified and covered in the current and future years.

FR12.4 Only those schemes and projects that meet the strategic priorities and have been assessed via the stages outlined above, subject to member approval where required, will be approved as part of the Capital Budget. Projects in an earlier stage of development may be included in the Capital Pipeline but will require business case approval, assessed via the stages outlined above, before they can commence.

FR12.5 Contracts for capital works will be awarded in accordance with the rules set out in Procurement Standing Orders.

FINANCIAL PROCEDURE RULE 13 - MONITORING OF THE CAPITAL PROGRAMME

FR13.1 Once a capital scheme or project has been approved in the Council's Capital Programme Budget, each Budget Manager shall be responsible for monitoring expenditure and income, and for providing information in accordance with arrangements set out in the Capitalisation Handbook to enable regular reports to be submitted to DLTs, CLT, Select Committees and to the Executive. Note: Annually Senior Officers, known as Accountable Budget Officers, are requested to acknowledge their responsibilities and capital budget remit.

FR13.2 If necessary and following consultation with the Section 151 Officer or their nominated officer, virements may be made between capital schemes to reflect the value of each accepted tender. Virements should be approved by the appropriate Strategic Capital Group, Capital Programme Panel or the Executive based on the thresholds and non-financial factors set out in FR12.2.

FR13.3 Block items within the Capital Programme comprising multiple schemes (e.g. Maintenance and Minor Works Programmes) shall be regarded as a single project subject to the total scheme costs not being exceeded and satisfying the requirements of any external funder.

FINANCIAL PROCEDURE RULE 14 – FINANCIAL ACCOUNTS

FR14.1 The Section 151 Officer shall ensure that all financial transactions of the Council are accurately reflected in the Council's accounting records.

FR14.2 All financial systems, accounting policies and accounting records shall be in a form agreed by the Section 151 Officer. All proposed changes to accounting policies must be approved by the Section 151 Officer and discussed with the Council's external auditors, in line with accounting standards.

FR14.3 The Section 151 Officer will make appropriate arrangements for and advise officers and members on all taxation issues that affect the Council.

FR14.4 The Section 151 Officer will sign off the annual Statement of Accounts, once they are satisfied that the statement represents a true and fair view of the financial position of the Council. The Statement of Accounts will be submitted for approval to the Council, or the Audit and Governance Committee if this responsibility is delegated.

FR14.5 Arrangements for the retention or destruction of financial records shall be in accordance with the Council's Record Retention Policy. In any event, no document relating to the financial

transactions of the Council, or its employees shall be destroyed before the completion of the External Audit for the year concerned.

FR14.6 Senior Officers shall be responsible for ensuring that there are adequate arrangements, in respect of financial information held in electronic form, to safeguard continuity in the event of an emergency and shall comply with the requirements set out in the Council's IT Security Policy.

FINANCIAL PROCEDURE RULE 14 - DUTY TO CARRY OUT AUDIT

FR15.1 The Section 151 Officer shall ensure that the Council maintains an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices, as laid down in The Accounts and Audit Regulations. This also extends to external audit, where appropriate, subject to external partners and external funding requirements. To facilitate independence and objectivity in reporting, the reporting lines of the Internal Audit function should be unfettered by line management structures so that direct access to any officer, member or external regulating authority (e.g. external audit) will be available.

FR15.2 In order to discharge their responsibilities under FR15.1 above, the Section 151 Officer, Internal Audit and any other authorised staff shall have the right to:

- Enter any Council premises or land at any reasonable time, without prior notice;
- Gain access at all times to all records and documents (including email and correspondence) relevant to the business of the Council as maintained by the Council or third parties on its behalf including (but not limited to) external contractors and consultants;
- Require and receive any information and explanations considered necessary to the audit; and
- Require any employee or agent of the Council to account for assets under their control.

FR15.3 The Chief Internal Auditor shall report on a regular basis to the Audit and Governance Committee with a summary of internal audit activity and shall bring to the attention of the Chief Executive and the Audit and Governance Committee any significant matters which may have come to their attention in the course of delivering the internal audit function.

FINANCIAL PROCEDURE RULE 16 - FINANCIAL IRREGULARITIES

FR16.1 All officers are required to inform their manager on becoming aware of any irregularity, or suspected irregularity, affecting income, expenditure, cash, stores or any of the resources of the Council. Senior Officers shall inform the Chief Internal Auditor as soon as practicable. If it is not appropriate to inform local management because of a potential connection to the alleged irregularity, then officers should contact the Chief Internal Auditor directly. This requirement also applies to elected members and to agents working on behalf of the Council where the concern is around Council related matters.

FR16.2 The Chief Internal Auditor shall consider during the course of any investigation or at its conclusion, as they deem appropriate, whether the matter may require investigation by the Police and/or notification to the External Auditor. Where appropriate they shall seek the advice of the Monitoring Officer and inform the Chief Executive.

FR16.3 At the conclusion of any investigation or earlier if appropriate, the Chief Internal Auditor shall, in consultation with the Monitoring Officer, agree with the Senior Officer concerned the steps that should be taken to mitigate any loss and prevent a recurrence of it. The Chief Internal Auditor shall report significant financial irregularities, frauds or control failures to the Chief Executive and the Audit and Governance Committee.

FR16.4 All investigations of this type undertaken by Internal Audit will be under the direction of the Chief Internal Auditor, in consultation with the Section 151 Officer and the HR Director. Such investigations will be undertaken in line with the Council's Antifraud and Corruption Strategy and Framework, which forms part of the Constitution. The HR Director will ensure that "whistleblowing" procedures are defined, documented, widely communicated and reviewed at appropriate intervals, in consultation with the Section 151 Officer, the Monitoring Officer and the Chief Internal Auditor.

FR16.5 The Chief Internal Auditor or their delegated authority within Internal Audit acts as the Council's Money Laundering Reporting Officer (MLRO). The MLRO will ensure that there is an Anti-Money Laundering Policy published on the Council's external website which sets out the procedures which must be followed to enable the Council to comply with its legal obligations.

FINANCIAL PROCEDURE RULE 17 - ORDERING PROCEDURES

FR17.1 Senior Officers shall be responsible for ensuring that all orders issued from their departments for goods, works and services are in accordance with Procurement Standing Orders.

FINANCIAL PROCEDURE RULE 18 - CONSULTANTS AND CONTRACTORS

FR18.1 Agency workers, Contractors, and individual Consultants should be sourced in accordance with Procurement and HR guidelines.

FR18.2 Agency/interim staff should be procured through the authority's preferred supplier wherever possible.

FR18.3 When the appointment is for specific projects, the Chief Executive must approve interim staff, consultant or contractor appointments where the fee exceeds £50,000 a year (or in proportion where the engagement is for less than one year) before the contract starts.

FR18.4 All consultant or contractor engagements with an aggregate value of £100,000 or over, must be subject to competitive tender and review by the regular procurement governance process before approval by the Chief Executive. The Chief Executive will not approve such engagements retrospectively.

FR18.5 Consultants, contractors and agency workers engaged to supervise contracts on behalf of the Council shall be required to comply with these Financial Procedure Rules as if they were direct employees of the Council. Such a requirement shall be included in every agreement for their services. Any reference in these Financial Procedure Rules to a Budget Manager shall apply to a consultant, contractor or agency worker. Where a report is required, it shall be made by the consultant, contractor or agency worker to the appropriate Senior Officer, who shall report to members as required.

FINANCIAL PROCEDURE RULE 19 – CONTRACTING ARRANGEMENTS

FR19.1 All procurement and purchasing undertaken must adhere to the specified processes as agreed by the Corporate Leadership Team and follow the requirements of the Procurement Standing Orders. The Section 151 Officer may authorise the use of Purchasing Cards for Council staff for the purposes of defraying petty cash and other minor or urgent expenses.

FR19.2 All material assumptions and risks inherent in evaluations of proposed contracts must be fully disclosed to those officers and members making decisions on the award of the contract, before the contract award is made.

FR19.3 Long term strategic contracts must include provision to secure continuous improvement, improved efficiency and value for money. Financial relationships must be made under the relevant corporate guidance as highlighted in the introduction. In this context, partnerships are deemed to be joint arrangements involving the Council pooling financial and/or other resources with other bodies in the pursuit of agreed joint objectives.

FR19.4 All partnership arrangements and pooled budgets must be agreed under written terms appropriate to the extent of the financial risk to the Council and may only be entered into following appropriate consultation with and approval from the Section 151 Officer and the Monitoring Officer. Where the Council's contribution to, or financial risk from such arrangements, exceeds £100,000, the Executive's approval is required. Appropriate approval must be obtained before entering into any proposed partnership.

FINANCIAL PROCEDURE RULE 20 - PAYMENT OF SALARIES AND WAGES

FR20.1 The payment of all salaries, wages, pensions, compensation and other emoluments to employees, former employees or beneficiaries of the Council shall be made in accordance with arrangements approved by the Chief Executive and the Employment Committee (EC).

FR20.2 The HR Director shall arrange for all relevant payments in respect of sums deducted from employees' remuneration and any employers' contributions to be made to the appropriate agency.

FR20.3 Senior Officers shall notify the HR Director, of all matters affecting payment as soon as possible. Notification will be in the form prescribed by the Section 151 Officer and Monitoring Officer.

FR20.4 Time records or other pay documents (including those relating to flexible working hours) shall be in a form prescribed or approved by the HR Director.

FR20.5 The HR Director shall ensure that there are proper arrangements to maintain all necessary human resources records concerning pay, superannuation, statutory sick pay, national insurance and income tax.

FR20.6 The HR Director shall have regard to any recommendations made by the Section 151 Officer in all matters of a financial nature.

FINANCIAL PROCEDURE RULE 21 - INCOME COLLECTION AND BANKING ARRANGEMENTS

FR21.1 Senior Officers and Budget Managers shall seek the prompt collection of all monies due to the Council in accordance with arrangements approved by the Section 151 Officer and as specified in the Income Manual.

FR21.2 Senior Officers and Budget Managers are responsible for dealing with the receipt of money and other remittances and holding them in secure conditions before they are banked or otherwise dealt with.

FR21.3 The Section 151 Officer is responsible for the Council's overall banking arrangements. All arrangements for opening bank accounts and for the banking and withdrawal of money shall be approved by the Section 151 Officer. The Section 151 Officer shall determine the arrangements for the reconciliation of all Council bank accounts.

FINANCIAL PROCEDURE RULE 22 – ADULT SOCIAL CARE ASSESSED FEES & CHARGES DEBT MANAGEMENT AND BAD DEBT WRITE OFF

FR22.1 The Section 151 Officer has the authority to approve write offs of unpaid Adult Social Care assessed fees & charges up to the value of £100,000 per individual debt where the relevant Budget Manager and financial assessment staff in Adult Social Care, Legal Services and Corporate Finance agree there is no realistic chance of recovering the debt or it is considered uneconomical to attempt debt recovery. The Section 151 Officer has the overriding authority to approve or reject write offs if there is not agreement between Adult Social Care, Legal services and Corporate Finance about a particular debt.

FR22.2 The Section 151 Officer may delegate in writing approval of individual write offs of unpaid Adult Social Care assessed fees & charges to another member of the Corporate Finance service.

FR22.3 The Section 151 Officer or the delegated Corporate Finance officer may delegate in writing approval of write offs of unpaid Adult Social Care assessed fees & charges up to £5,000 to designated officers in Adult Social Care. Where this delegation is made, the designated Adult Social Care officers will have the authority to approve write offs without the need to seek advice and formal approval from Corporate Finance.

FR22.4 Any individual debts relating to unpaid Adult Social Care assessed fees & charges of more than £100,000 must be approved by the Executive, subject to the recommendation of the Section 151 Officer.

FR22.5 Write-off of irrecoverable debt will be charged to the relevant budget in Adult Social Care. The year-end financial outturn report will provide a summary of all irrecoverable debt written off during the year relating to Adult Social Care assessed fees & charges.

FR22.6 Credit balances, which are over three years old, and which cannot be substantiated or justified, will be released to the relevant fund after closure of accounts of each year, subject to formal approval by the Section 151 officer.

FR22.7 Where the Council's Client Financial Affairs Team acts as the court appointed Financial Deputy or Department for Work & Pensions Appointee for a resident who dies they will be responsible for undertaking the following duties:

- Advising known parties of the death, including financial institutions and organisations where the resident has a known financial relationship.
- Liaising with known Executors or known Next of Kin who are actively pursuing Letters of Administration for authority to act on the estate.
- Referring the matter to the Treasury Solicitor where there is no known Next of Kin.
- Arranging for funeral expenses to be paid where invoices are received from Funeral Directors together with a copy of the death certificate.

Where the Council has set up a bank account for the resident:

- Where they are required by the bank and set up with the ability to do so the Client Financial Affairs Team will instruct the bank to stop all Direct Debits and Standing Orders on the account.
- Other than payment of funeral expenses outlined above, the Client Financial Affairs Team will take no other action in relation to the account unless instructed to do so by the appointed Executor or Person granted Letters of Administration.
- The Client Financial Affairs Team will transfer the closing balance to the account requested by the Executor or Person granted Letters of Administration.

FR22.8 The Section 151 Officer has the authority to approve waivers of Adult Social Care assessed fees & charges in accordance with any provision in the Council's Adult Social Care charging policy.

FR22.9 The Section 151 Officer may delegate in writing approval to waive Adult Social Care assessed fees & charges up to specified amounts to another member of the Corporate Finance service and designated Adult Social Care officers.

FR22.10 The Council will maintain a provision for bad debt relating to unpaid Adult Social Care assessed fees & charges. The Section 151 Officer will determine the criteria to calculate how much to provide for outstanding debts in relation to their age and type in consultation with Adult Social Care and Legal Services. The social care bad debt provision will be recalculated based on the latest debt levels and types on at least a quarterly basis. The impact of any increase or decrease required to the social care bad debt provision will be charged to the Council's Adult Social Care budget. Adult Social Care will review each year how much it is proposed is budgeted for potential bad debt to limit in-year impacts of write offs, changes to the bad debt provision or other costs associated with bad debts such as legal fees paid for debts that prove to be irrecoverable. Any budget provision proposed by Adult Social Care will be approved as part of the annual budget setting process.

FINANCIAL PROCEDURE RULE 23 – DEBT MANAGEMENT AND BAD DEBT WRITE OFFS NOT RELATING TO ADULT SOCIAL CARE ASSESSED FEES & CHARGES

FR23.1 The appropriate Executive Director has authority to write off debts for individual outstanding balances for the following:

Council Tax	Up to £10,000
Business Rate	Up to £20,000
Housing Benefit	Up to £10,000
Housing Rent	Up to £10,000
Sundry debt	Up to £10,000

FR23.2 The Section 151 Officer has the authority to approve write offs of unpaid debts up to the value of £50,000 per individual debt where the relevant Budget Manager, Legal Services and Corporate Finance agree there is no realistic chance of recovering the debt or it is considered uneconomical to attempt debt recovery. The Section 151 Officer has the overriding authority to approve or reject write offs if there is not agreement between the Budget Manager, Legal Services and Corporate Finance about a particular debt.

FR23.3 The Section 151 Officer may delegate in writing approval of individual write offs of unpaid debts to another member of the Corporate Finance service.

FR23.4 Any individual debts of more than £50,000 must be approved by the Executive, subject to the recommendation of the Section 151 Officer.

FR23.5 Write-off of irrecoverable debt will be charged to the relevant budget code where the debt was first raised unless otherwise agreed by the Section 151 Officer or their delegated representatives. The year-end financial outturn report will provide a summary of all irrecoverable debt written off during the year.

FR23.6 Credit balances, which are over three years old, and which cannot be substantiated or justified, will be released to the relevant fund after closure of accounts of each year, subject to formal approval by the Section 151 officer.

FR23.7

The Council will maintain three provisions for bad debts (in addition to the one relating to unpaid Adult Social Care assessed fees & charges) as follows:

- A specific provision for all debt outstanding with Integrated Care Boards (ICBs)
- A specific provision for Non-Domestic rates
- A general provision for all other debt

The Section 151 Officer will determine the criteria to calculate how much to provide for outstanding debts in relation to their age and type in consultation with the relevant Budget Managers and Legal Services. The bad debt provisions will be recalculated based on the latest debt levels and types on at least a quarterly basis. Relevant services will bear the impact of any increase or decrease required to the bad debt provision relating to ICBs. The impact of increases or decreases required to the general bad debt provision will be charged to Central Income and Expenditure. Each year consideration will be given as to whether any budget provision should be made to account for the potential impact of bad debt on the Council's revenue budget in the coming year. This will be approved as part of the annual budget setting process. Any savings realised against this budget provision will be transferred to reserves.

FINANCIAL PROCEDURE RULE 24 – ASSETS

Land and Property

FR24.1 The rules set out within this framework are to be applied for circumstance arising that are not already covered within the Scheme of Delegations or Procurement Procedure rules or FR12 set out above (Authority to incur capital expenditure).

FR24.2 All acquisitions and disposals of land and buildings must be approved by:

Amount	Minimum approval required
Up to Key Decision Threshold	S151 Officer-led officer board and appropriate Executive member
Above Key Decision Threshold	Executive

These values relate to freehold and leasehold properties.

FR24.3 All acquisitions and disposals must be referred to the Land and Property Team. The application of best value considerations may result in disposal of assets at less than market value due to wider economic, environmental, and social value factors. The approach to valuation should be agreed in advance, in consultation with the Section 151 Officer. Approaches to valuation include comparison to similar properties recently sold on the open market, or professional valuations completed by an independent property valuer.

FR24.4 The Chief Executive, in consultation with the Leader or Deputy Leader and the Chair or Vice Chair of the Housing Committee, can utilise the Housing Revenue Account, for the purchase of land or buildings in accordance with the Council's general power of competence under the Localism Act 2011, or in the case of the HRA, for the Council's House Building Programme.

Assets other than Land and Property

FR24.7 Assets declared surplus to the Council's requirements should be disposed of at the most appropriate time, and only when it is in the best interest of the Council, and best value is obtained. For assets of significant value, disposal should be by competitive tender or public auction.

FR24.8 Any proceeds from the disposal of assets should be receipted and recorded, even if the disposal value is zero.

FR24.9 No items can be purchased from or disposed of to a member of staff or elected member of the Council without the explicit approval of the Section 151 Officer.

FR24.10 All acquisitions and disposals valued over £10,000 must be subject to a professional valuation. The approach to valuation should be agreed in advance, in consultation with the Section 151 Officer.

FR24.11 Senior Officers are responsible for and shall make arrangements for the safe custody and care of all assets in their department, including exercising proper control over the use of those assets. Such assets shall include plant, machinery, vehicles, furniture, equipment, other non-consumable property, stocks and stores and IT equipment.

FR24.12 Senior Officers are responsible for keeping inventory records and the marking of Council property. The Council's property shall not be removed other than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes.

FR24.13 Inventory records can be adjusted where a surplus or deficiency arises according to the following approval:

Amount	Minimum approval required
Up to £2,499	Senior Officers
£2,500-£4,999	S151
£5,000+	Executive

FR24.14 Appropriate investigations should be carried out to establish the reasons for the surplus or deficiency and prevent a recurrence. Records of such adjustments are subject to Internal Audit inspection.

FR24.15 Budget Managers, after consultation with the Section 151 Officer, are authorised to delete any item from their inventory records where the item has become obsolete and is no longer adequate for the purpose intended, or the item is broken or worn.

FINANCIAL PROCEDURE RULE 25 - STOCKS AND STORES

FR25.1 Lead Officers and Budget Managers are responsible for the receipt, issue and checking of the stocks and stores in their departments and for maintaining appropriate stock levels.

FR25.2 The extent to which items shall be included in records, and the form of record-keeping, shall be determined by the appropriate Senior Officer in consultation with the Section 151 Officer.

FR25.3 Senior Officers, in consultation with the Section 151 Officer, are authorised to adjust stock balances up to £10,000 in respect of any one item provided appropriate investigations have been carried out to establish the reasons and prevent a recurrence. All other write offs require Executive approval.

FR25.4 The year-end financial outturn report to the Executive will set out all stock write offs granted in the year.

FINANCIAL PROCEDURE RULE 26 – ESTATES

FR26.1 The Director of Land and Property shall update the Council's Asset Management Plan as necessary and maintain a terrier of all land and properties held by the Council.

FR26.2 The Monitoring Officer shall have custody under secure arrangements of all the title deeds in the possession of the Council.

FR26.3 The Director of Land and Property shall be responsible for land and property under their control, and for obtaining the best economic return possible consistent with Council policy and legal requirements. They shall ensure that all rents etc. are regularly reviewed.

FINANCIAL PROCEDURE RULE 27 - RISK MANAGEMENT AND INSURANCE

FR27.1 The Risk Management Strategy outlines the arrangements in place to ensure the Council identifies and deals with the key risks it faces. The Risk Management Framework complements the strategy and ensures a consistent approach to risk management across the organisation by detailing the Council's approach to risk identification, assessment, control, and reporting.

FR27.2 The Council's approach to risk management is a continuous and evolving process that runs through the Council's strategies and service delivery. It ensures key risks are managed and resilience is strengthened in order to support the delivery of the Council's priorities.

FR27.3 The Section 151 Officer is responsible for advising the Executive on insurance arrangements. The Section 151 Officer shall be responsible for the day-to-day administration of the Council's insurances, and negotiating all policies and claims in consultation with the relevant Senior Officers and Budget Managers.

FR27.4 Senior Officers, in consultation with the Section 151 Officer, shall be responsible for the effective management of all insurable risks.

FR27.5 Senior Officers shall consult the Monitoring Officer and the Section 151 Officer concerning the terms of any indemnity which the Council may be requested to give.

FR27.6 All Officers shall give prompt notification to the Section 151 Officer of all new risks, properties or vehicles which require to be insured in accordance with arrangements determined by them.

FR27.7 Any person who makes use of their own vehicle for Council business shall comply with the appropriate Council policies with regards to car users and any instructions relating to this policy issued by the HR Director.

FR27.8 Senior Officers shall ensure there is proper security at all times for all assets under their control and safe and proper arrangements for the custody of keys to safes and similar receptacles.

FR27.9 Senior Officers shall immediately notify the Section 151 Officer of any loss, liability, damage or other similar event likely to lead to a claim. Where appropriate, the Section 151 Officer shall inform the Monitoring Officer and the Police. Such notification shall be confirmed promptly in writing.

FINANCIAL PROCEDURE RULE 28 - TREASURY MANAGEMENT AND THE PENSION FUND

FR28.1 All money held by the Council shall be aggregated for the purposes of treasury management and shall be under the control of the Section 151 Officer, subject to the constraints of delegated powers given to schools. They shall seek expert advice on these matters when considered appropriate.

FR28.2 The Section 151 Officer is responsible for the Council's treasury management activities in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities and the

Prudential Code. They shall propose an annual Treasury Management Strategy Statement to the Audit and Governance Committee.

FR28.3 The Section 151 Officer will ensure that the provisions of the strategic and operational monitoring of all Treasury Management activity is undertaken and report this to the Audit and Governance committee on a six-monthly basis.

FR28.4 Effective scrutiny of the Treasury Management Strategy will be undertaken by the Overview and Scrutiny Committee, as part of the overall scrutiny of the budget. The Section 151 Officer will submit a mid-year review and an annual outturn report on treasury management to the Audit and Governance Committee.

FR28.5 The Council, as corporate trustee for a limited number of Trust Funds and Charities through its members and officers, will ensure that the Council administers them in accordance with its legal responsibilities as a trustee, distinct and separate from its functions as a local authority. The council when undertaking the aforementioned duties will also comply with the CIPFA Code of Practice in Treasury Management and any relevant Charity Commission guidance, to ensure provisions are appropriately implemented.

Glossary

Acronym	Meaning
ABO	Accountable Budget Officer
CLT	Corporate Leadership Team
DLT	Directorate Leadership Team
FSMT	Finance Senior Management Team
ICB	Integrated Care Board
MLRO	Money Laundering Reporting Officer
MTFS	Medium-Term Financial Strategy
S151	Section 151 Officer

Term	Definition
Accountable Budget Officer (ABO)	A senior officer with overall accountability for a group of budgets, responsible for planning, managing resources, delivering service priorities, and remaining within the approved budget envelope.
Annual Revenue Budget	The approved expenditure and income plan for a financial year.
Assets	Property, land, buildings, vehicles, equipment, IT hardware, stocks, stores, and other resources owned or controlled by the Council.
Audit and Governance Committee	Committee responsible for oversight of governance, audit, risk management, treasury management reporting, and approval of the Statement of Accounts.
Bad Debt	Income due to the Council that is considered unlikely to be recovered and may be written off following approval procedures.
Bad Debt Provision	A financial allowance set aside to cover anticipated losses from unrecoverable debts.
Budget Envelope	The total approved funding available for a service, directorate, or activity.
Budget Manager	Officer with day-to-day responsibility for managing specific budgets and ensuring effective use of resources.
Capital Expenditure	Expenditure on assets, infrastructure, property, investments, or projects providing benefits over more than one financial year.
Capital Programme	Approved portfolio of capital projects and schemes funded by the Council.
Capital Programme Panel	Officer group responsible for reviewing and approving specified capital investments and variations within delegated limits.
Capital Strategy	Long-term plan for capital investment, asset management, and capital financing.
Chief Internal Auditor	Officer responsible for leading internal audit activity and investigations into financial irregularities.
CIPFA	Chartered Institute of Public Finance and Accountancy. Sets professional codes and guidance for local government finance, treasury management, and accounting.
CLT (Corporate Leadership Team)	Senior officer leadership group receiving financial monitoring and performance reports.
Commercial Rate Card	Corporate schedule used to calculate the cost of officer time and overheads when determining service charges.
Debt Write-Off	Formal process of removing an unrecoverable debt from the accounts after appropriate approval.

Directorate Leadership Team (DLT)	Directorate-level management team responsible for overseeing service and budget performance.
Fees and Charges	Amounts levied by the Council for services provided, whether statutory or discretionary.
Financial Irregularity	Any actual or suspected fraud, corruption, misappropriation, or misuse of Council resources.
Financial Monitoring	Ongoing review of expenditure, income, forecasts, savings, and budget variances.
Full Council	Body of all elected members responsible for approving the policy framework, budget, and key financial strategies.
Integrated Care Board (ICB)	NHS organisation referenced in relation to debt management and bad debt provisions.
Inter Authority Agreement	A formal legal contract between two or more public bodies or local government councils. It sets out how they will work together, share resources, or run joint service.
Internal Audit	Independent assurance function reviewing governance, risk management, and internal controls.
Investment Strategy	Strategy governing the Council's investments and associated risks and returns.
Medium-Term Financial Strategy (MTFS)	Multi-year plan showing how the Council will balance resources, spending, and priorities over future years.
Monitoring Officer	Statutory officer responsible for governance, legality, and constitutional compliance.
Procurement Standing Orders (PSOs)	Rules governing procurement, purchasing, tendering, and contract management activities.
Reserves	Funds set aside for future expenditure, risks, contingencies, or specific purposes.
Section 151 Officer	Statutory Chief Finance Officer responsible for the proper administration of the Council's financial affairs under the Local Government Act 1972.
Strategic Capital Group	Officer group responsible for assessing and approving lower-value capital projects and variations.
Strategic Investment Board	Governance body overseeing significant investments and subsidiary-related decisions.
Statement of Accounts	Annual statutory financial statements presenting the Council's financial position and performance.
Treasury Management	Management of the Council's cash flows, investments, borrowing, and financial risks.
Treasury Management Strategy	Annual strategy governing borrowing, investing, and treasury risk management activities.
Virement	Approved transfer of budget provision from one budget heading to another.