

To: All Members of the AUDIT & RISK  
COMMITTEE  
(Other Members for Information)

When calling please ask for:

Kimberly Soane, Democratic Services  
Officer

**Legal & Democratic Services**

E-mail: [Kimberly.soane@waverley.gov.uk](mailto:Kimberly.soane@waverley.gov.uk)

Direct line: 01483 523258

Calls may be recorded for training or monitoring

Date: 7 June 2024

### Membership of the Audit & Risk Committee

Cllr Julian Spence (Chair)  
Cllr Michael Higgins (Vice Chair)  
Cllr Jerome Davidson  
Cllr Earwaker

Cllr David Beaman  
Cllr Zoe Barker-Lomax  
Cllr Maxine Gale

Dear Councillors

A meeting of the AUDIT & RISK COMMITTEE will be held as follows:

DATE: MONDAY, 17 JUNE 2024

TIME: 7.00 PM

PLACE: COMMITTEE ROOM 1, COUNCIL OFFICES, THE BURYS,  
GODALMING

The Agenda for the meeting is set out below.

This meeting will be webcast and can be viewed on [Waverley Borough Council's YouTube channel](#) or by visiting [www.waverley.gov.uk/webcast](http://www.waverley.gov.uk/webcast).

Yours sincerely

**Susan Sale,**  
**Joint Strategic Director Legal & Democratic Services & Monitoring Officer**

Agendas are available to download from Waverley's website ([www.waverley.gov.uk/committees](http://www.waverley.gov.uk/committees)), where you can also subscribe to updates to receive information via email regarding arrangements for particular committee meetings.

Alternatively, agendas may be downloaded to a mobile device via the free Modern.Gov app, available for iPad, Android, Windows and Kindle Fire.

Most of our publications can be provided in alternative formats. For an audio version, large print, text only or a translated copy of this publication, please contact [committees@waverley.gov.uk](mailto:committees@waverley.gov.uk) or call 01483 523351.

---

### **NOTE FOR MEMBERS**

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

### **AGENDA**

14. **FINANCIAL PROCEDURE RULES** (Pages 1 - 34)

The Financial Procedure Rules and Contract Procedure Rules provide the framework for managing the Council's financial affairs. They apply to every Member and Officer and anyone acting on its behalf. All decision makers need to ensure that they have the authority under the Constitution to make a decision, and that they are also authorised under these Rules to incur the financial consequences of every decision that they make.

**For further information or assistance, please telephone  
Kimberly Soane, Democratic Services Officer, on 01483 523258 or by  
email at [Kimberly.soane@waverley.gov.uk](mailto:Kimberly.soane@waverley.gov.uk)**

## **DRAFT FINANCIAL PROCEDURE RULES**

**Contents: [To be added once approved]**

### **1. Introduction**

- 1.1.** The Financial Procedure Rules and Contract Procedure Rules provide the framework for managing the Council's financial affairs. They apply to every Member and Officer and anyone acting on its behalf. All decision makers need to ensure that they have the authority under the Constitution to make a decision, and that they are also authorised under these Rules to incur the financial consequences of every decision that they make.
- 1.2** They link with other internal regulatory documents forming part of the Council's Constitution, for example the Scheme of Delegation and Contract Procedure Rules. They also ensure robust procedures are in place to provide the necessary assurance to the Council about the adequacy of the finance and governance arrangements underpinning the Annual Governance Statement.
- 1.3** Where critical action becomes necessary as a result of some unforeseen emergency the Chief Executive, in consultation with the Joint Strategic Director - Finance and Monitoring Officer, may take appropriate action in accordance with his delegated powers under the Constitution, and waive the Financial Procedure Rules, provided s/he has undertaken the necessary consultation with members. Every use of this rule must be reported by the Chief Executive, in writing, to the next available meeting of the Executive and/or Full Council.
- 1.4** The Joint Strategic Director - Finance is responsible for maintaining a continuous review of the Financial Procedure Rules and Contract Procedure Rules and submitting any additions or changes necessary to the Full Council for approval. The Joint Strategic Director - Finance is also responsible for reporting, where appropriate, breaches of the Financial

Procedure Rules and Contract Procedure Rules to the Audit & Risk Committee/Standards & General Purposes Committee.

- 1.5 The Joint Senior Management Team is responsible for ensuring that all staff are aware of the existence and content of the Council's Financial Procedure Rules and Contract Procedure Rules and other internal regulatory documents and that they comply with them, as required by the Council's Code of Conduct for Employees and the Constitution. Failure to comply with the Code of Conduct may result in disciplinary action.
- 1.6 The Joint Strategic Director - Finance is responsible for issuing advice and guidance to underpin the Financial Procedure Rules and Contract Procedure Rules that Councillors, Officers and others acting on behalf of the Council are required to follow.
- 1.7 Councillors have a fiduciary duty to local taxpayers to spend money wisely and to balance the interests of those who will pay against the interests of those who will benefit from the expenditure.
- 1.8 If there is a requirement for interpretation or any conflict between these Financial Procedure Rules and any other part of the Constitution, the Monitoring Officer should be consulted. If there is any conflict between these Financial Procedure Rules and the Council's Budget and Policy Framework Rules, at Part 4 of the Constitution, the Council's Budget and Policy Framework Rules prevail.

## **2. Financial management**

### **Responsibilities**

- 2.1. Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework, revenue budget, capital programme and treasury management.
- 2.2 The Executive are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Assistant Directors service responsibilities as far as possible.
- 2.3 The Audit and Risk Committee/Corporate Governance & General Purposes Committee has a right of access to all the information necessary to effectively discharge its responsibilities and may consult directly with internal and external auditors. The Audit and Risk Committee/CG&GP Committee is responsible for a range of matters as set out in Council's Constitution. The Committee's responsibilities with regard to the financial management of the Council include:

- (a) overseeing the Council's role and responsibilities in respect of Corporate Governance and Audit
- (b) to consider the external auditors annual audit letter, relevant reports and the report to those charged with governance
- (c) approving the Council's Annual Statement of Accounts & whether accounting policies have been followed or concerns have arisen that need to be brought to the attention of the Council
- (d) approving the annual Internal Audit plan, and receiving reports from the Council's Internal Auditor, including the Internal Audit annual report
- (e) monitoring progress in addressing risk related issues and ensuring the Council's Risk Management arrangements are operating effectively
- (f) monitoring the effectiveness of the Council's framework of assurance and internal controls.

2.4 The Joint Strategic Director - Finance (Section 151 Officer) is the Council's 'responsible financial officer' under the Accounts and Audit Regulations. They are responsible for the proper administration of the Council's affairs as specified in, and undertaking the duties required by Section 151 of the Local Government Act 1972, Section 114 of the Local Government Finance Act 1988 and all other relevant legislation.

In order to fulfil these statutory duties and legislative requirements the Joint Strategic Director - Finance will:

- (a) set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
- (b) determine the accounting records and systems to be kept by the Council and the form of any supporting records. The Joint Strategic Director - Finance shall ensure that the accounting systems approved are observed and maintained.
- (c) ensure there is an appropriate framework of budgetary management and control.
- (d) monitor performance against the Council's budget and advise upon the corporate financial position.

- (e) ensure proper professional practices are adhered to and to act as Head of Profession in relation to the standards, performance and development of finance staff throughout the Council
- (f) prepare and publish the Council's Statement of Accounts for each financial year, in accordance with the statutory timetable and arrangements specified by law.
- (g) make proper arrangements for the audit of the Council's annual statement of accounts.
- (h) ensure that claims for funds, including grants, are made by the due date and in compliance with the grant terms and conditions.
- (i) make proper arrangements for the overall management of the Council's Internal Audit function.
- (j) manage the treasury management activities in accordance with the Council's Treasury Management Strategy, Capital & Investment Strategy (GBC), Treasury Management Policy, Treasury Management Investment Strategy (WBC) and Prudential Indicators (both).
- (k) manage the Pension Fund within the scope of the Local Government Pension Scheme Regulations.
- (l) provide advice and guidance to reinforce the Financial Procedure Rules which Members, Officers and others acting on behalf of the Council are required to follow, and ensure controls are in place to deter and detect fraud and error.
- (m) maintain and continuously review the Financial Procedure Rules and make recommendations and implement any changes.
- (n) take responsibility for advising the Council on corporate financial matters.

Joint Strategic Directors shall have responsibility for advising Members or the Executive on financial matters relevant to their own service areas.

- 2.5 Joint Strategic Management Team members are responsible for financial management within their services and spending within the limits of the budgetary framework set by Council. They shall manage the development of budget proposals with a detailed assessment of financial implications within the Budget and Policy Framework agreed by the Council and set out at Part 4 of the Constitution.

### **3. Schemes of Financial Delegation**

- 3.1 The Joint Strategic Directors will establish, operate and keep under review local Schemes of Financial Delegation to ensure that the day-to-day financial management of services within their directorate is carried out in a secure, efficient and effective manner, and in accordance with the Financial Procedure Rules, Contract Procedure Rules and associated relevant guidance.

### **4. Revenue budget monitoring and control**

- 4.1 Once the budget is approved by the Council, Joint Strategic Management Team members are authorised to incur expenditure in accordance with the approved budget, subject to the limits in the Constitution and local Schemes of Financial Delegation to officers. They must, however, maintain effective budgetary control within their service to ensure that spending is contained within the annual budget limit and to secure value for money.
- 4.2 It is the responsibility of the Joint Strategic Management Team members to control income and expenditure within their service/directorate and to monitor performance, taking account of financial information and guidance provided by the Joint Strategic Director - Finance. They must report on variances within their own areas. They must also take any action necessary to avoid exceeding their budget allocation and alert the Joint Strategic Director - Finance to any potential overspending or under-achievement of income budgets in a timely manner.
- 4.3 The Joint Strategic Director - Finance, with the support of the Corporate Management Board, is responsible for establishing an appropriate framework of budgetary management and control which ensures that:
- (a) budget management is exercised within annual budget limits unless the Full Council agrees otherwise.
  - (b) timely information on receipts and payments is made available, which is sufficiently detailed to enable officers to fulfil their budgetary responsibilities.
  - (c) expenditure is committed only against an approved budget.
  - (d) all officers responsible for committing expenditure comply with relevant guidance and Financial Procedure Rules and Contract Procedure Rules.

(e) each cost centre has a single named manager, determined by the relevant Assistant Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure.

(f) significant variances from approved budgets are investigated and reported by budget managers regularly.

(g) reports are made to the Executive and Full Council, by the relevant Joint Strategic Director or Assistant Director, where they are unable to balance expenditure and resources within existing approved budgets under their control.

(h) reports are produced on the Council's projected income and expenditure compared with the budget on a regular basis.

(i) schemes of Financial Delegation are maintained for all functions within the JSMT member's area of responsibility.

(j) a justification is prepared for all new revenue proposals with a significant financial impact, risk profile or policy change.

## **5. Scheme of virement**

5.1 The scheme of virement is intended to enable budgets to be managed with a degree of flexibility within the overall framework determined by the Council, and therefore optimise the use of resources. A virement is the movement of an uncommitted budget from its intended purpose to another purpose to fund expenditure.

5.2 Virements are not permitted:

- where a proposal would adversely affect long-term revenue commitments
- between revenue and capital budgets
- into staffing budgets (other than from within existing staffing budgets)
- between the HRA and the General Fund, or any trust administered by the Council

5.3 Any virement with a value greater than £100,000 must be approved by the Executive to a limit of £500K and by Council for any greater amount. Full details of limits for officers are set out in Paragraph 42 of these Financial Procedure Rules.



5.4 Budget virements are not subject to the approval limits 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 Joint Strategic Director - Finance.

5.5 All virements must meet the following criteria:-

- within Council policy
- no net increase in total revenue expenditure in the initial or any subsequent year as a result of the virement
- must be made prior to end February in the relevant financial year
- requests must be made in writing on the agreed form and signed by the relevant Strategic Director.

5.6 All virements made under delegated authority will be reported by the Joint Strategic Director – Finance to the Corporate Governance and Standards Committee/Audit & Risk Committee as part of the budget monitoring report, and a record of all virements will be maintained.

## **6. Supplementary Estimates**

6.1 Where services wish to undertake an activity not originally identified in the budget or incur additional revenue expenditure on an existing activity, approval must be sought for a supplementary estimate.

6.2 Supplementary estimates may only be agreed by the Executive up to £250k subject to there being no ongoing revenue implications for future years.

6.3 Any supplementary estimate in excess of £250k or where there is an ongoing revenue implication must be approved by the Council.

## **7. Treatment of year-end balances**

7.1 Overspends or underspends in relation to the approved revenue budget may occur for a variety of reasons. For General Fund budgets, there is no 'as of right' carry forward of underspends from one financial year to another except where this is provided for by a binding partnership agreement or other legal agreement with a third party.

7.2 Any revenue underspending at the year-end may be carried forward, subject to the agreement of the Joint Strategic Director - Finance following

consideration of the overall financial position, and in consultation with the Leader and Portfolio Holder. All carry forward proposals must be supported by an appropriate Business Case demonstrating that the underspend was planned and that the resources carried forward will be earmarked for a specific and appropriate purpose. Where carry-forwards are agreed, they will be allocated to an Earmarked Reserve until they are utilised.

- 7.3 Capital schemes can be prone to delay. It cannot be assumed that underspends will automatically roll forward into the following year. Requests to carry forward funding should make clear whether they are due to re-profiling of schemes or for other reasons. Requests for carry forward should be made to the Joint Strategic Director - Finance who will report variances to the Capital Programme to Council for final approval.

## **8. Accounting Policies, Records and Returns**

- 8.1 The Joint Strategic Director - Finance is responsible for control and assurance and therefore determines appropriate accounting policies and procedures; exercising oversight of financial and accounting records and systems; and preparing and publishing reports containing statements on the overall finances of the Council, including the annual statement of accounts.
- 8.2 Financial statements must present fairly the financial position of the Council and its expenditure and income.
- 8.3 All accounts and accounting records will be compiled by the Joint Strategic Director - Finance or under their direction. The form and content of records will be approved by the Joint Strategic Director - Finance along with reconciliation procedures and they will ensure that they are applied consistently.
- 8.4 The Joint Strategic Director - Finance is responsible for ensuring that the annual statement of accounts is prepared and published in accordance with the Code of Practice on Local Council Accounting in the United Kingdom (CIPFA/LASAAC) and any International Financial Reporting Standards (IFRS) in place.
- 8.5 All statutory financial returns must be completed in line with published guidelines and timescales.
- 8.6 Financial records must be retained in line with statutory requirements and the Corporate Record Retention Policy.

## 9. Budget and policy framework

9.1 The Council is responsible for agreeing a framework of corporate policies that set out and underpin the Corporate Plan. The key elements of this framework are:

- (a) The Corporate Plan/Strategy – this sets out the longer term aims and objectives for Guildford/Waverley.
- (b) Medium Term Financial Strategy (MTFS) – this brings together the key assumptions about financing resources (including council tax, nondomestic rates and government funding settlements) and spending pressures over the medium to longer term. This enables the Council to plan for financial risks and informs the setting of financial targets for services in the annual revenue budget and capital programme.

The Joint Strategic Director - Finance will ensure that the MTFS is presented to the Executive and Council as part of the annual budget setting process.

9.2 The responsibilities of the Joint Strategic Director - Finance are to:

- develop a three-year MTFS (including the current budget year)
- undertake a formal review of the MTFS on an annual basis and update where necessary

Joint Strategic Directors must provide information that may be requested by the Joint Strategic Director - Finance to support the MTFS.

9.3 Revenue Budget – this is the financial expression of the Council's Corporate Plan. It sets out the allocation of resources to services and projects, the level of contingency funding, the Council Tax base and Council Tax rate, borrowing limits and capital financing requirements.

9.4 Capital Programme – Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles, and are usually one-off in nature. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

9.5 Treasury Management Strategy – this sets out the arrangements for the management of the Council's borrowing, lending, cash flows and investments. The Executive, in conjunction with the Joint Strategic Director - Finance, will propose an annual Treasury Management Strategy, a set of Prudential Indicators and a policy for making revenue provision for the

repayment of debt (referred to as the 'Minimum Revenue Provision' policy) to the Council in advance of the start of the relevant financial year. These will be consistent with the Council's revenue budget and capital programme proposals. These documents are required to comply with CIPFA's Codes of Practice on Treasury Management and the Prudential Framework for Capital Finance, relevant Regulations and with the Council's own Treasury Management Policy Statement and Treasury Management Practices: they will set the parameters within which investment and borrowing activity will be managed during the forthcoming financial year.

- 9.6 Fees and charges policy – Joint Strategic Directors and Assistant Directors, in consultation with the Joint Strategic Director - Finance, will follow the relevant charging policy for the supply of goods or services where charges may be lawfully applied. Charges will be reviewed annually. All new charges, and amendments to existing charges, will be subject to approval in accordance with the Council's Constitution. Officers may vary fixed fees and charges in exceptional circumstances and determine any which are not covered by the annual review, under the Officer Scheme of Delegation (para 2.8.11,12).
- 9.7 Pay policy - the pay policy statement will be prepared as required by law. At present it is required to set out the Council's policy on the level and elements of remuneration for each chief officer, the remuneration of its lowest paid employees, and the relationship between the remuneration of its chief and other officers. It is also required to address other specific aspects of chief officer remuneration such as remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

## **10. Revenue budget**

- 10.1 The revenue budget reflects the day to day running costs and associated receipts of the Council. This includes costs for salaries, energy, travelling and other costs incurred in providing services plus income raised by charges, and government grants.
- 10.2 The Joint Strategic Director - Finance will determine the general format of the budget.
- 10.3 The Joint Strategic Director - Finance will manage the preparation of the budget, in consultation with the Chief Executive, on an annual basis for consideration by the Council in line with the Budget and Policy Framework Rules. The annual budget will include allocations to different services and projects, proposed taxation levels and contingencies.

- 10.4 Detailed budgets, as proposed by Strategic Directors and Assistant Directors, will be subject to challenge and review through a process determined by the Joint Strategic Director - Finance.
- 10.5 The Joint Strategic Director - Finance is responsible for reporting to Full Council on the robustness of estimates contained within the budget and the adequacy of reserves allowed for in the budget proposals.
- 10.6 The Council shall not approve amendments to either revenue or capital budgets without first having considered the advice of the Joint Strategic Director - Finance on the financial implications arising.
- 10.7 The Joint Strategic Director - Finance is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations at a corporate level and report to the Executive on the overall position on a regular basis.

## **11. Capital Programme**

- 11.1 The Capital Programme is the Council's plan of capital projects and spending over future years. The Executive, in conjunction with the Joint Strategic Director - Finance, will manage the preparation of a capital programme, on behalf of the Council, on an annual basis in accordance with the Council's capital projects' governance arrangements.

Capital expenditure of less than £10k will be charged to revenue on the grounds of materiality.

- 11.2 Capital projects - approvals are sought on an individual project basis and reflect the total cost of each project rather than the anticipated expenditure in each year.
- 11.3 A justification must be made for all capital proposals before approval is sought for inclusion in the Capital Programme. The justification will support decision making, and must identify whole life costs, for revenue and capital. The amount of detail will be proportionate to the value and level of risk. Where there is a greater risk further detail may also be required.
- 11.4 Any 'in year' approval sought to vary the financial values or implications of a capital scheme, must be supported by an updated justification.
- 11.5 Once the Capital Programme has been approved, project owners must ensure that the scheme is appropriately managed to achieve appropriate measures in accordance with their previous justification.

- 11.6 Project owners must provide regular reporting of progress of their schemes to the Executive or relevant project board. Where project performance or outcomes are at risk of significantly varying from the business case the project owner is responsible for taking appropriate mitigating action including the need to seek appropriate approvals as required. All reporting and monitoring activity should be evidenced and recorded in a way that can be accessed to support auditing of project activity. Guidance should be sought from the Joint Strategic Director - Finance if required.
- 11.7 The Council will approve the re-profiling of spend on approved capital schemes across financial years and carry forward of slippage/accelerated spend into financial years as part of the budget monitoring/setting processes.

## **12. Financing of capital expenditure**

The Joint Strategic Director - Finance will determine the financing of the capital programme, taking into consideration the availability of reserves and balances, funding from other bodies and the affordability of borrowing.

## **13. Capital Receipts**

- 13.1 The Joint Strategic Director - Finance must be informed of all proposed capital receipts including sales of land and buildings so that the effect on financial and property management can be assessed.
- 13.2 On the advice of the Joint Strategic Director - Finance, the Council will determine how capital receipts will be applied when setting the budget.

## **14. Reserves**

- 14.1. The Joint Strategic Director - Finance is responsible for advising on the prudent levels of reserves for the Council. The key controls are:
- (a) to maintain reserves in accordance with the Code of Practice on Local Council Accounting in the United Kingdom and agreed accounting policies
  - (b) for each reserve established, the purpose, usage and basis of transactions should be clearly identified
  - (c) reserves are used only for the purpose for which they were intended
  - (d) Revenue and capital reserves shall be maintained separately

14.2 Authorisation to establish and add to a reserve is by the appropriate Joint Strategic Director, in conjunction with the Joint Strategic Director - Finance and authorisation to incur expenditure against the reserve is by the appropriate Joint Strategic Director in accordance with the limits in these Financial Procedure Rules.

## **15. Leasing, Rental and Right of Use Agreements**

15.1 Leasing, rental or hire purchase agreements must not be entered into unless the service has established that they do not constitute a charge against the Council's prudential borrowing limits. All lease type arrangements must comply with IFRS 16 and be approved by the Joint Strategic Director – Finance for up to £1M whole life value and the Executive if in excess of this value.

## **16. Internal trading activities**

- 16.1 The requirements for a service to be designated as a trading activity include:
- provision of all, or the majority, of their services in an environment where their customers have the option to use them or an alternative service provider; and
  - charging for the full cost of the goods / services they provide, on the basis of an agreed charge or rate.
- 16.2 Services are only permitted to operate as a trading activity with the prior approval of the Council, in consultation with the Joint Strategic Director - Finance and the Monitoring officer.
- 16.3 Trading activities are each required to:
- (a) maintain a Trading Account into which all expenditure related to the provision of their services will be charged (i.e. including direct costs, the full costs of services provided by the Council's support services, any service management provided by senior managers and asset and other accounting charges)
  - (b) receive all income due for work done by the trading activity. Exceptions to the requirement for a Trading Accounts will apply when the Service funded is occasional and is below a limit value set by the Joint Strategic Director – Finance
  - (c) balance their budget by generating sufficient income to cover the full costs of service provision
  - (d) operate within the Council's overall arrangements and rules for staff and resource management. Council may approve special

arrangements in exceptional circumstances, where it can be demonstrated that adherence to these rules and arrangements would lead to the unit becoming uncompetitive and losing work and that the proposed departure does not expose the Council to significant risk.

## **17. Risk Management and Control of Resources**

### **Risk management**

- 17.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.
- 17.2 The Council has adopted a Risk Management Policy and Strategy (GBC)/Risk Management Policy (WBC) which has been approved by the Corporate Governance & Standards Committee/Audit and Risk Committee (WBC) and is regularly updated to ensure its continuing effectiveness on a continuous basis.
- 17.3 Joint Strategic Directors are responsible for ensuring the Risk Management Strategy is implemented and that the Risk Management policy operates within their Service. Risk Management should be embedded throughout the organisation at both a strategic and an operational level, through integration into existing systems and processes.
- 17.4 There are several levels of risk register within the Council. There should be a movement of risks both upwards and downwards through the levels and treatment addressed at the most appropriate level of the organisation:
- 17.5 Corporate Risk Register(GBC)/Strategic Risk Register (WBC) - contains risks impacting on the organisation's overall objectives
- 17.6 Service Risk Registers - contain strategic and operational risks with the potential to impact on the delivery of Service objectives.
- 17.7 Programme/Project/(Partnership – WBC) Risk Register – contain risks associated with delivery of individual projects, managed and reported to the Corporate Management Team (GBC).
- 17.8 The Assistant Director – Organisational Development is responsible for preparing the Council's Risk Management Policy and Strategy and for promoting it throughout the Council to ensure effective management and monitoring of risks.



- 17.9 Business Continuity - The Civil Contingencies Act 2004 places a statutory requirement for Local Authorities to maintain plans for the continuation of services in the event of an emergency, as far as is reasonably practicable.
- 17.10. The Assistant Director – Organisational Development is responsible for developing the Business Continuity Strategy. Joint Strategic Directors are responsible for ensuring arrangements are in place to ensure the continuity of service delivery in the event of a disruptive incident. This is managed via the development of robust Business Continuity Plans which are regularly maintained and tested in accordance with the Business Continuity Strategy. This extends to those Council services provided by third parties and the ongoing monitoring and compliance with this requirement via contract performance management.

## **18. Internal Controls**

- 18.1 The Joint Strategic Director - Finance is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 18.2. It is the responsibility of Corporate Management Board to establish sound arrangements for planning, appraising, authorising and controlling their services in order to achieve best value, continuous improvement, economy, efficiency and effectiveness, and for achieving their financial performance targets.
- 18.3. The Council must, on an annual basis, produce an Annual Governance Statement. This statement must provide a description of the system of internal control within the Council, a description of any work undertaken to assess the effectiveness of the internal control framework, and any significant internal control weaknesses and any action to be taken to address them.

## **19 Audit arrangements**

- 19.1 Internal Audit - the Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which facilitates the effective exercise of its functions; the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for risk management.

- 19.2 The Council uses the services of the Southern Internal Audit Partnership (SIAP) to deliver its internal audit services. To contribute to the production of the Annual Governance Statement, SIAP is responsible for planning and delivering a programme of independent reviews of the Council's activities, the scope of the programme being based on the Council's corporate objectives and an assessment of the risk which may affect the achievement of these objectives.
- 19.3 SIAP will present an annual report to the Corporate Governance & Standards Committee/Audit and Risk Committee, summarising the audit plans for the coming year and a commentary on audit activity which is completed or in progress, with regular reports setting out progress against the annual audit plan. In addition, any matters of material importance in relation to audit matters are also reported to the Corporate Governance & Standards Committee/Audit and Risk Committee.
- 19.4 SIAP staff have, in accordance with the Accounts and Audit Regulations, (with strict accountability for confidentiality and safeguarding records and information), full, free, and unrestricted access to any and all of the Council's premises, personnel, assets, records and third-party fund transactions pertinent to conducting any engagement, including those of the Council's alternative service delivery vehicles. These rights of access should be documented in the service contract.
- 19.5 With regards to organisations participating in partnering arrangements, Internal Audit staff shall have such access to the premises, personnel assets and records of the partner as is necessary for the purposes of the partnering arrangement, as detailed in section x below. Partners will be required to grant reasonable access when requested and details of such access should be agreed with the partner and set down in the Partnering Agreement. Where the right of access has not been specified in existing arrangements then appropriate discussions with partners should take place.

## **20. External Audit**

- 20.1 The Local Audit and Accountability Act 2014 established new arrangements for the audit and accountability of relevant authorities. Under these arrangements the Council has opted for its external auditors to be appointed by the Public Sector Audit Appointments Limited (PSAA), an independent company established by the LGA for this purpose.
- 20.2. The Council may, from time to time, be subject to audit, inspection, or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

## **21. Preventing Fraud and Corruption**

21.1. The Council has an approved Anti Fraud and Corruption Policy & Strategy (GBC) which places responsibility for preventing fraudulent activity with all Members, Managers and individual members of staff. Any matters which involve, or are thought to involve, any fraud or other significant irregularity involving Council assets or those of a third-party fund, must be notified immediately to the Head of Internal Audit, in conjunction with other officers detailed in the Council's Counter Fraud and Corruption Strategy.

21.2. The Anti-Fraud & Corruption Policy & Strategy also incorporates:

- (a) Anti Bribery Policy
- (b) Counter Fraud Policy
- (c) Fraud Prosecution Policy
- (d) Anti Money Laundering Policy

21.3 Other policies which support the Council's position on fraud and corruption are:-

- Conflict of interests' policy for JMT staff members
- Contract Procedure Rules
- Whistle-blowing policy
- Staff Code of Conduct

21.4 In addition, all members of staff are required to regularly complete and refresh their level of governance training and to declare any interests they might have on an annual basis.

## **22. Insurance**

22.1. The Council is responsible for ensuring that adequate proper insurance arrangements exist.

22.2. The Assistant Director – Organisational Development is responsible for advising the Council on proper insurance cover and managing the Council's insurances.

22.3 The settlement of insurance claims against the Council is subject to the approval limits set out in paragraph 42.

22.4. The Joint Strategic Director - Finance will notify Corporate Governance & Standards Committee/Audit and Risk Committee if the total value of claims during a financial year exceeds £200k for any of the following classes of claim:

- Employer liability
- Public liability
- Property
- Motor
- Other

22.5. Joint Strategic Directors & Assistant Directors must comply with all relevant insurance terms and conditions, and:

- (a) Notify the Assistant Director – Organisational Development immediately of any loss, liability or damage that may lead to a claim against the Council
- (b) Notify the Assistant Director – Organisational Development promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances
- (c) Consult the Joint Strategic Director - Finance and the Monitoring Officer on the terms of any indemnity that the Council is proposing to give
- (d) Ensure that employees, or anyone covered by the Council’s insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim
- (e) Ensure all officers are aware of their responsibilities relating to the use of insurance policies
- (f) Identify and report to the Assistant Director – Organisational Development any changes which could affect risks insured by the Authority
- (g) Ensure that any conditions affecting insured risks are met and services’ actions do not invalidate any claims

## **23. Assets**

23.1 In the context of these Regulations, Assets include buildings, land and infrastructure, furniture, equipment, plant, stores, cash balances and “intellectual property” such as computer software, data and information of all kinds.

23.2 All staff have a responsibility for safeguarding the Council’s assets and information, including safeguarding the security of the Council’s computer systems and paper records, and for ensuring compliance with the Council’s data protection, computer and internet security policies.

- 23.3. The Assistant Director - Asset Management will undertake the role of 'corporate landlord' and will ensure that:
- (a) the proper security and maintenance of all premises occupied and/or owned by the Council
  - (b) Legal Services/Asset Management hold the title deeds for all Council properties
  - (c) land and buildings (non-HRA) are included in the Council's Asset Register where the assets have a value in excess of the Council's de-minimis levels.

23.4 Assistant Directors are responsible for:

- (a) the care, control and proper and economical use of all assets used in connection with the operation and delivery of their Services. Proper records should be maintained for these assets, together with appropriate arrangements for their management and security.
- (b) ensuring that assets are used only for official purposes and that all appropriate rights, licenses and insurances are obtained.

23.5 The Joint Strategic Director - Finance is responsible for the maintenance of a corporate register of the Council's property, plant and equipment assets.

## **24 Land and property**

24.1 Land and property transactions include:

- freehold acquisitions and disposals
- long leasehold acquisitions and disposals
- short leases as tenant and as landlord
- entering into section 106 agreements as landowner
- release of covenants
- compulsory acquisitions and land compensation claims
- taking and granting easements
- option Agreements
- lease surrenders and exit agreements (including dilapidations).

24.2. Each of these transactions has a financial consequence for the Council and the following approvals are required, in accordance with the Officer Scheme of Delegation:

- up to £200,000 – Assistant Director - Asset Management
- £200,000 or more – Executive

## **25. Inventories**

- 25.1. Assistant Directors must ensure that proper arrangements are made to maintain inventories of all items with a replacement value in excess of £500 (GBC limit), including vehicles, furniture, computer and other equipment (including software), visual aids, expensive tools and sports equipment.
- 25.2. The inventory must be updated for all acquisitions and disposals and checked at least annually. Items acquired under leasing arrangements must be separately identified for disclosure in the published final accounts.
- 25.3. Stock is defined as consumable items constantly required and held by a service in order to fulfil its functions. Assistant Directors are responsible for the control of stocks. They must ensure that stocks are appropriately secured and recorded, do not exceed reasonable requirements and that all significant stock is accounted for in the year end accounts. Stocks should be checked at least once a year, more frequently in the case of expensive and/or security-controlled items.
- 25.4. Cash held on any Council premises should be held securely and should not exceed any sums for which the Council is insured. If retention of cash on site is unavoidable in exceptional circumstances, the Assistant Director is responsible for making appropriate security arrangements. All cash should be banked as quickly as possible.

## **26. Asset Disposal/Write-off**

- 26.1. Joint Strategic Directors (in consultation with the Joint Strategic Director - Finance) may authorise the write-off of losses or disposal of assets (excluding land and property) up to and including £10,000. Asset disposals will be in accordance with the Contract Procedure Rules. Write offs over £10,000 will require approval as follows:
- Joint Strategic Director – Finance in consultation with the appropriate portfolio holder(s) – up to £50,000
- Executive in respect of any debts of £50,000 or over
- 26.2. Any write off which arises as a result of theft or fraud must be notified to the Joint Strategic Director - Finance immediately.

## **27. Treasury Management**

- 27.1 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities and the Prudential Code.
- 27.2. The full Council is responsible for approving the Treasury Management Strategy.

The Executive have the responsibility of regularly monitoring the Strategy(WBC), and the Joint Strategic Director - Finance has delegated responsibility for administration of day to day treasury management decisions (without financial limit) OR

The Corporate Governance and Standards Committee (GBC) are responsible for scrutinising treasury management decisions, and the Joint Strategic Director – Finance has responsibility for the administration of day-to-day decisions (without financial limit).

- 27.3 All money in the hands of the Council is controlled by the Joint Strategic Director - Finance.

- 27.4. The Joint Strategic Director - Finance is responsible for reporting to the Executive/Corporate Governance & Standards Committee periodically in each financial year on treasury management activities undertaken within delegated powers.

- 27.5 Investments and Borrowings - it is the responsibility of the Joint Strategic Director - Finance to:

- (a) ensure that all investments of money are made in the name of the Council or in the name of approved nominees.
- (b) ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in safe custody.
- (c) effect all borrowings in the name of the Council.
- (d) act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.

- 27.6 Trust Funds and Funds Held for Third Parties - it is the responsibility of the Joint Strategic Director - Finance to:

- (a) arrange for all trust funds to be held, wherever possible, in the name of the Council (e.g. 'Guildford/Waverley Borough Council on behalf of.....'). All officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust with the Joint Strategic Director - Finance unless any deed otherwise provides.

(b) arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Joint Strategic Director - Finance, and to maintain written records of all transactions.

(c) ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

27.7 Where applicable Charity Commission guidance shall be followed in the preparation of Annual Financial Reports and deadlines for the submission of information to the Commission.

## 28. **Intellectual Property**

28.1 Intellectual property is a generic term that includes inventions and writing. If an employee creates these during employment, then they belong to the Council, not to the employee.

28.2 Like any assets, intellectual property is an essential factor in ensuring business continuity within the Council, and the effective delivery of Council services. It is critical therefore, that the Council puts in place adequate controls over the ownership, storage and use of all intellectual property.

28.3 Assistant Directors will ensure that their staff are aware of the Council's rights over intellectual property.

## 29. **Staffing**

29.1 Council staff are an essential part of providing the highest level of quality services. Staff are the greatest single item on which the Council spends its budget. It is therefore crucial that procedures and guidance issued by Human Resources are followed precisely. In order to provide the highest level of service, the Council must recruit and retain high calibre, knowledgeable staff, qualified to an appropriate level within the resources available.

29.2 The Head of Paid Service is responsible for providing overall management to staff and is also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job. The Assistant Director – Organisational Development acts as an advisor to Joint Strategic Directors on areas such as HR policy and procedures.

29.3 Assistant Directors have primary responsibility for their establishment and are accountable for compliance with establishment and financial controls. They are responsible for:



(a) ensuring that all changes to staffing levels are communicated to Human Resources as soon as possible to ensure financial and operational records are kept up to date

(b) for instructing Human Resources and for providing appropriate and accurate information to enable the prompt and accurate payment of travelling, subsistence and other expenses where applicable

29.4 The Joint Strategic Director - Finance will:

(a) ensure that budget provision exists for all existing and new Officers and prepare an annual staffing budget for services, in consultation with Assistant Directors and ensure it is an accurate forecast of staffing levels.

(b) ensure arrangements for payment to the appropriate bodies, of all statutory taxation and other payroll deductions

### **30. Retention of records**

30.1 The Returning Officer will be responsible for maintaining complete and accurate records and for reconciliation with regard to elections accounts.

30.2 The Council, in common with other public and private organisations, has certain statutory obligations it must meet for the retention of its records. It also must fulfil the requirements of HM Revenue and Customs, other legislative requirements and the external auditors in respect of its financial records.

30.3. The majority of financial records must be kept for 6 years from the end of the tax year to which they relate. Some records, however, may need to be kept for longer periods e.g. if required to defend future insurance claims. It is possible others can be destroyed within shorter periods. Guidance on the appropriate retention period is given in the Council's Record Retention & Disposal Schedule (GBC)/Data Retention Policy (WBC).

30.4. All records held should have an appropriate retention period assigned to them, which meet the statutory obligations to retain financial records, but also considers legislative requirements such as the Limitation Act, GDPR, Data Protection Act; Freedom of Information requirements; and the business needs of the Service.

## **31. Financial Systems and Procedures**

### **Banking Arrangements**

- 31.1. All bank accounts must be titled impersonally in the name of Guildford/Waverley Borough Council.
- 31.2. Subject to any directions given by the Council, all arrangements with the Council's bankers must be made solely through the Joint Strategic Director - Finance. No bank accounts may be opened, or arrangements made with any other bank except by agreement with the Joint Strategic Director - Finance.
- 31.3. Bank transfers must be authorised by the Joint Strategic Director - Finance, or those officers authorised to sign through the agreed local Scheme of Financial Delegation or in accordance with the Treasury Management Policy.
- 31.4. Direct debits can only be set up with the prior approval of Finance in line with the local scheme of delegation for the Finance Directorate.
- 31.5. Payments must be authorised in line with local Schemes of Financial Delegation and the Contract Procedure Rules.
- 31.6. Assistant Directors must:
- (a) Make secure arrangements for the receipt of income and subsequent prompt banking
  - (b) Adhere to the banking instructions issued by the Joint Strategic Director - Finance

### **Income**

- 31.7. The Joint Strategic Director - Finance is responsible for developing and maintaining standards, procedures, systems and reports to facilitate the effective and efficient identification, collection, receipting, banking and recovery of income due to the Council.
- 31.8. Charges will be reviewed annually in line with the Schedule of Fees and Charges. The Schedule of Fees and Charges Policy will be approved by Council as part of the annual budget setting process unless otherwise authorised under the Officer Scheme of Delegation.

- 31.9. Council officers must comply with guidelines issued by the Joint Strategic Director - Finance for the safe and efficient collection and recording of all money due to the Council.

### **Bad Debts**

- 31.10 The Council has a Corporate Debt Recovery Policy (GBC) / an Income & Debt Collection Policy (WBC) with the guiding principle that customers have a responsibility to pay amounts that have been properly assessed as being due. The Council is committed to using the most appropriate and effective recovery methods available to it. In certain circumstances and for justifiable reasons it will be necessary to classify some debts as irrecoverable and to recommend that they be written off, however this does not preclude pursuit of the debt.
- 31.11 Joint Strategic Directors will critically review outstanding debts on a regular basis, in conjunction with the Joint Strategic Director - Finance, and take prompt action to write off debts no longer deemed to be recoverable. Joint Strategic Directors will recommend to the Joint Strategic Director - Finance all debts to be written off in line with the following approval limits:
- up to and including £10k – Strategic Director in consultation with the Joint Strategic Director - Finance
  - £10k - £50k – Joint Strategic Director – Finance in consultation with the relevant portfolio holder(s)
  - more than £50k – Executive
- 31.12. The Corporate Management Board is responsible for ensuring that an adequate provision for bad debt is made in the Council's accounts at year end and that contributions to this provision are included in budgetary projections and outturn reports. A record must be maintained for all debts written off.

### **Purchase of goods and services**

- 31.13 Joint Strategic Directors and Assistant Directors are responsible for providing all appropriate information and instructions to the Finance directorate to allow for prompt and accurate payment for goods and services provided and for the analysis of expenditure.
- 31.14. Except for purchases by Purchase Card, imprest accounts, periodic payments such as rent or rates, Grant payments, contributions made to other Public Sector Bodies and Subscriptions all purchases must be supported by an official requisition and purchase order unless previously agreed with the Corporate Procurement Team (GBC).

- 31.15 All purchases must have regard to these Financial Procedure Rules, Contract Procedure Rules, Officer Scheme of Delegation and local Schemes of Financial Delegation.
- All requisitions and purchase orders must be authorised in accordance with the approved budget and must comply with the thresholds set out in the Contract Procedure Rules.
- 31.16 Assistant Directors must ensure that there is adequate separation of duties in the raising and authorisation of requisitions, authorising of purchase orders, receipt of goods and authorisation of payments to creditors.
- 31.17. Assistant Directors must consult the Joint Strategic Director - Finance on appropriate arrangements for purchases of goods and services which cannot be accommodated within standard ordering and payment processes.

## 32. **Payment of Invoices**

- 32.1. All invoices must be sent directly by the creditor to the address stated on the official purchase order to enable prompt payment.
- 32.2. All invoices, as a minimum, must include the official purchase order number, the description of the goods or services provided, the quantity delivered, the delivery address, the date of the invoices and/ or date of delivery of the goods or services, the address and VAT registration number of the supplier and the price and VAT at the prevailing rate.
- 32.3. Invoices received without a valid purchase order number will be returned to the creditor as unauthorised for payment.
- 32.4. The Council's standard payment terms are 30 days from receipt of a correct invoice by BACS (Bankers Automated Clearing System). Alternative terms may not be negotiated or agreed with suppliers without the explicit approval of the Corporate Procurement Team.
- 32.5. Payment will only be made for goods and services which have been formally receipted in accordance with receipting procedures set out by the Joint Strategic Director - Finance.

## 33 **Non-invoice Payments**

- 33.1. Where Assistant Directors wish to initiate a payment to a third party without a supporting invoice, an official request for payment must be submitted in a form approved by the Corporate Procurement Team.

- 33.2. Any such requests must be authorised by an officer designated with an appropriate approval limit in the relevant local Scheme of Financial Delegation. They are responsible for ensuring that all payment details provided are accurate and that supporting records and documentation are available to substantiate the payment, including an official VAT receipt to allow for the reclaim of any VAT element.
- 33.3. Appropriately authorised requests for payment will be processed and paid by BACS.
- 33.4. Non-invoice payments should be requested on an exceptional basis only. Where payments of this type need to be made on regular basis Joint Strategic Directors & Assistant Directors must consider, in conjunction with the Corporate Procurement Team, other alternative options which may be more appropriate.
- 33.5. Payments or reimbursements in respect of salaries and wages, travelling expenses or other employment allowances must be processed through the payroll system and not treated as a non-invoice payment.
- 33.6. Purchase cards are an effective method of payment for goods and services of low value and for one off purchases. Assistant Directors are responsible for the appropriate deployment and management of Purchase cards within their service in accordance with the local Scheme of Financial Delegation.

#### 34 **Imprest Accounts**

- 34.1. Wherever possible, purchase cards will be used for low value transactions and where there are no mandated procurement contracts in place. However, in the limited circumstances when purchase cards cannot be used, the Joint Strategic Director - Finance may provide bank imprest (petty cash) accounts to meet minor expenditure on behalf of the Council of up to £100 per transaction. Where circumstances require individual payments in excess of £100, approval to set-up a local arrangement must be sought from the Joint Strategic Director - Finance.
- 34.2. Joint Strategic Directors & Assistant Directors are responsible for ensuring that the rules of operation issued by the Joint Strategic Director - Finance are adhered to, and that:
- local Schemes of Financial Delegation set out clearly the responsibilities and approval limits of individual officers in respect of these arrangements.
  - adequate records are maintained to allow for the verification and reconciliation of all payments made to the Council's general ledger and bank accounts, and to allow for the proper treatment of VAT.

- arrangements are being operated for legitimate Council business only.

34.3 Local arrangements may not be used in any circumstances to circumvent either these Financial Procedure Rules or the Contract Procedure Rules.

### **35 Payment to Members**

35.1. The Joint Strategic Director – Legal & Democratic Services will arrange for payments to Members entitled to claim allowances on receipt of the proper form, completed and certified in accordance with the approved scheme for allowances set out in Part (6) of the Constitution.

### **36 Taxation**

36.1. The Joint Strategic Director - Finance is responsible for ensuring compliance with all relevant taxation regulations and guidance that affect the Council either directly, because of its own activities, or indirectly, because of service delivery through external partners.

36.2. The Joint Strategic Director - Finance will ensure that:

(a). proper arrangements are in place for the administration and accounting for taxation

(b)timely completion of statutory returns as directed by HMRC e.g. VAT and PAYE

(c) provision of up-to-date guidance for officers on taxation

### **37 Emergency payments**

37.1 Emergency payments may arise because of unforeseen circumstances (e.g. as a consequence of a natural disaster, a civil emergency or a court order etc.) where budget provision has not been made and the payment cannot be covered within the relevant service's existing budget. Emergency payments can only be made in extenuating circumstances with the approval of the Chief Executive, in accordance with the Officer Scheme of Delegation.

37.2. Details of emergency payments made will be reported retrospectively to the Executive/Council.

### **38 Transparency**

38.1 To provide transparency in its stewardship of public funds the Council makes information available to the public in relation to its spending, over £500 in line with legislation.

38.2 The Council also complies with all other legislation in relation to transparency of information, including the Openness of Local Government Bodies Regulations 2014.

## **39 External Arrangements**

### **Partnerships**

39.1 Partnerships include any arrangements where the Council agrees to undertake, part fund or participate in a project with other bodies; either as a beneficiary of the project, or because the nature or status of the project gives the Council a right or obligation to support it. It does not include situations where the Council is simply providing funding without assuming any obligation or risk relating to delivery of the project in which case the Contract Procedure Rules cover the arrangement.

39.2. Forming of partnerships - The approval of both the Joint Strategic Director - Finance and the Monitoring Officer must be obtained prior to the Council entering into any formal partnership agreement. The approval of the Joint Strategic Director - Finance must also be obtained where it is proposed that the Council adopts the role of 'Accountable Body' for a partnership.

39.3 A partnership agreement must be produced which ensures that:

- legal status and financial viability of the arrangement are clearly established and acceptable
- the Council's financial commitment to the partnership is quantified and that this can be accommodated within the existing budget provision
- financial and corporate governance arrangements in place for the partnership are robust, and acceptable from the Council's perspective
- the Council is not exposed to undue financial, legal or reputation risk as a consequence of its involvement in the partnership
- the Council's own financial accounting and reporting requirements can be satisfied
- the arrangements for dispute resolution and for exiting the arrangement are identified
- a performance monitoring framework must be established to ensure that the objectives of the partnership are met.

39.4 The Council is responsible for approving delegations and frameworks for all partnerships, and the Audit & Risk Committee (WBC) is responsible for reviewing the governance arrangements. Partnerships must be approved

by the Executive or the Corporate Management Board depending on the scale of the project and the Officer Scheme of Delegation and the Financial Procedure Rules.

39.5 Joint Strategic Directors will ensure that:

- the approval of the Joint Strategic Director - Finance and the Monitoring Officer is obtained prior to entering into a partnership agreement.
- a business case is completed which demonstrates that the risks associated with the arrangement are minimal, or that appropriate arrangements are in place to mitigate any such risks.
- the partnership agreement and arrangements will not impact adversely upon the services provided by the Council or upon its finances.
- the proposed financial contribution by the Council to the partnership can be met from existing budget provision.
- Council approval is secured for all delegations and frameworks for the proposed partnership.

39.6 Delegation of budget to a partnership - the delegation of budget to a partnership (whether the arrangement is binding on the parties or not), where money is normally spent in accordance with the wishes of a group of individuals or organisations, is subject to approval by the Joint Strategic Director – Finance up to £25,000 and in excess of this by the Executive.

39.6. Financial Administration - where the Council is the ‘accountable body’ for the Partnership these Financial Procedure Rules, Contract Procedure Rules and all other relevant policies and procedures will apply.

## **40 Bidding for Grant Funding**

40.1 All grant bids are subject to the prior approval of the Joint Strategic Director – Finance who shall make the application. No grant application shall increase revenue spending without an identified budget, and any grant for £200,000 or more shall be approved by the Executive.

40.2. All grant bids must be approved and monies received before commencing any spend.

40.3. The receipt of grant income and related expenditure is subject to these Financial Procedure Rules and Contract Procedure Rules.

40.4 The Joint Strategic Director – Finance shall ensure that “exit strategies” are in place to support the winding up of any service provision that is financed from time limited specific grants or third party contributions



## 41. Support to other organisations

- 41.1. Grants, donations and contributions may be made in accordance with these Financial Procedure Rules and any approved grant scheme, subject to there being adequate provision in service budgets and the appropriate approvals being sought.
- 41.2. Loans to third parties - loans may be provided by the Council to third parties and the Executive shall approve any such loans.
- 41.3. Monies invested with banks and other financial institutions – to be undertaken in line with the Treasury Management Strategy
- 41.4. Loans to third parties for the purpose of financing expenditure which, if incurred by the Council, would constitute approved capital expenditure, to be approved by the Joint Strategic Director – Finance.

## 42 Financial limits

- 42.1 Whilst financial limits may have been referred to in the relevant sections of these Financial Procedure Rules, all approval limits have been brought together in this section for ease of reference.

### Revenue budget virements

Delegations	Decision Maker	Constitution
Up to and including £100,000 within a service area	Assistant Director with agreement of the JSD - Finance and relevant JSD	Part 4.7 Budget and Policy Framework (paragraph 7)
Up to and including £100,000 across service areas	Assistant Director(s) with the agreement of the relevant JSD and JSD - Finance	
In excess of £100,000	Executive ( <i>GBC &amp; Waverley</i> )	
In excess of £500,000	Council ( <i>currently GBC only</i> )	

### Capital Programme virements

Delegations	Decision Maker	Constitution
Up to and including £100,000	Relevant Joint Strategic Director in consultation with the JSD – Finance and Portfolio Holder(s) <i>(Currently WBC - AD only)</i>	Part 4.7 Budget and Policy Framework (paragraph 7)
In excess of £100,000 and up to £500,000	Executive	
In excess of £500,000	Council <i>(Currently WBC - Exec decision only)</i>	

### Capital Expenditure

De-minimis	Constitution
Capital expenditure will be charged to revenue on the grounds of materiality if it is less than £10,000 <i>(Currently WBC do not set out)</i>	Part 4, Financial Regulations (paragraph 11.1)

### Settling insurance claims – *(currently silent at WBC)*

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £20,000	Joint Strategic Director – Finance <i>(currently CEX at GBC)</i>	Part 4, Financial Regulations (paragraph 22.3)
In excess of £20,000 but no more than £150,000	Joint Strategic Director – Finance in consultation with CMB	
In excess of £150,000 but no more £0.5m	Audit & Risk Committee/Corporate Governance & Standards Committee	

### Land and property transactions

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to £200,000	Assistant Director - Asset Management	Part 4, Financial Regulations (paragraph 24.2) & Officer Scheme of Delegation
£200,000 or more	Executive	

### Disposal of assets

Delegations	Responsible Officer(s) and/or Committee	Constitution
Up to and including £10,000	Assistant Director (in consultation with the Joint Strategic Director - Finance)	Part 4, Financial Regulations (paragraph 26.1) & Contract Procedure Rules para 47
In excess of £10,000 but no more than £50,000	Joint Strategic Director (in consultation with the Joint Strategic Director - Finance)	
In excess of £50,000	Executive (in consultation with the Joint Strategic Director - Finance)	

### Write-offs

Delegations	Responsible Officer(s) and/or Committee	Constitution
<b>Inventory:</b>		
Up to 3% of the value of stores held at the start of the financial year ( <i>current GBC limit</i> )	Assistant Director (in consultation with the Joint Strategic Director of Finance)	Part 4, Financial Regulations (paragraph 26.1)
In excess of 3%	Executive	
<b>Bad Debts:</b>		
Up to and including £10,000	Any Joint Strategic Director in consultation with JSD - Finance	Part 4 Financial Regulations (paragraph 31.11)
More than £10,000	Executive ( <i>GBC currently £50k</i> )	

### Emergency (Critical) Payments

Delegations	Responsible Officer(s) and/or Committee	Constitution
Unlimited amount	Chief Executive in consultation with the Monitoring Officer and Joint Strategic Director - Finance	Part 4, Budget & Policy Framework Para.6, Financial Procedure Rules para 37.1 & Officer Scheme of Delegation Para. 2.1.2

### Delegation of budget to a partnership

Delegations	Responsible Officer(s) and/or Committee	Constitution
Less than £25,000	Chief Officer	Part 4, Financial Regulations (para 39.6)
More than £25,000	Executive	

### Grant funding bids

Delegations	Responsible Officer(s) and/or Committee	Constitution
<b>Revenue &amp; Capital:</b>		
Less than £200,000	Joint Strategic Director - Finance	Part 4, Financial Regulations (para 40.1)
£200,000 and above	Executive	