

STANDING ORDERS

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PART 1 – PURPOSE OF FINANCE STANDING ORDERS

Finance Standing Orders provide the framework for managing the authority's financial affairs. They apply to every Member and Officer of the authority and anyone acting on its behalf. Their purpose is to:

- Establish and maintain systems for the control of the Council's financial activities
- Give general guidance and advice to Members and Officers as to their responsibilities within these various financial activities
- Ensure Members and Officers maintain a proper and effective use of those Council resources within their control
- Protect the public, Members and Officers by being able to demonstrate that property and funds used by the Council are administered with complete integrity
- Promote the Council's Anti-Fraud, Bribery and Corruption Policy and the Prevention of the Facilitation of Tax Evasion Policy
- Promote value for money in the use of resources

Any contravention of these Standing Orders, by an Officer or Member, whether deliberate or unintentional, may lead to disciplinary action.

The Director – Finance is responsible for maintaining a continuous review of the Finance Standing Orders and submitting any additions or changes necessary to the full Council for approval.

PART 2 - INTERPRETATIONS

Capital Expenditure

- expenditure on permanent assets such as land, buildings, roads, equipment etc.

Cashier

- an Officer who receives money on behalf of the Council.

Certifying Officer

- any Officer to whom the power to certify accounts, invoices and expenditure vouchers has been delegated.

General Fund

- is the revenue fund of the Council where the day-to-day transactions involving expenditure and income are conducted for all the services of the Council.

Head of Internal Audit

- is the Officer responsible for managing the Council's internal audit function. This responsibility is assigned to the Head of Audit, Procurement & Operational Finance.

Money

- cash, cheques, money orders, vouchers, or mandates having a monetary value.

Officer

- any employee and any official agent acting on behalf of the Council.

Responsible Officer

- an Officer whose duties require that he/she controls and accounts for any money, stores or materials, equipment or property on behalf of the Council.

Revenue expenditure

- Money that the Council spends on a day-to-day basis, e.g. staffing costs.

Executive Director

- Responsibilities of Executive Directors are also the responsibility of the Chief Executive.

Unofficial Fund

- is any fund, other than an official Council Fund, which is controlled wholly or partly by an Officer of the Council; which is connected with a service or service establishment and is financed other than by the Council.

Virement

- the transfer of resources from one budget head to finance additional spending on another budget head.

PART 3 - RESPONSIBILITIES

3.1 DIRECTOR - FINANCE

- 3.1.1 The Director - Finance is the Financial Adviser to the Council and the Executive Board.
- 3.1.2 The Director – Finance has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:
- Section 151 of the Local Government Act 1972
 - Section 144 of the Local Government Finance Act 1988
 - The Local Government and Housing Act 1989
 - The Accounts and Audit Regulations 2015
- 3.1.3 The Director - Finance shall maintain the necessary principal financial and accounting records for all services and activities. In this respect he/she will be responsible for the production of the statutory final accounts, the preparation and submission of all grant claims and all financing arrangements.
- 3.1.4 The Director - Finance shall be responsible for providing advice to the other Executive and Directors on the installation of secure financial systems and internal controls.
- 3.1.5 The Standing Orders relating to Finance should be read in conjunction with any other instructions of the Council relating to financial matters, particularly:
- Standing Orders relating to duties of Proper Officers and Delegation to Officers
 - Procurement Standing Orders
 - The Anti-Fraud, Bribery and Corruption Policy
 - Fraud Response Plan
 - Fraud Sanction and Prosecution Policy
 - Prevention of the Facilitation of Tax Evasion Policy

3.2 EXECUTIVE DIRECTORS

- 3.2.1 Executive Directors are responsible for the management and control of financial arrangements within their departments in accordance with these Standing Orders, ensuring compliance with the requirements of any procedures established by the Director - Finance and taking appropriate action in the event of non-compliance.
- 3.2.2 Executive Directors 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.
- 3.2.3 Executive Directors shall be responsible for the administration and security of information technology systems within their own directorate dealing with financial matters and, in particular, the accuracy of the data input and data produced by these systems.

- 3.2.4 It is the responsibility of Executive Directors to consult with the Director – Finance and seek approval on any matter liable to affect the authority's finances materially before any commitments are incurred.
- 3.2.5 Executive Directors must consult with the Director – Finance before making changes to existing financial systems or establishing new systems, to allow for proper consideration of system controls.
- 3.2.6 Executive Directors are responsible for ensuring that any agreed actions from audit reports are implemented in a timely and efficient manner.

3.3 DIRECTORS

- 3.3.1 Directors may have responsibility delegated to them by the Chief Executive/Executive Directors for (a) certain financial matters, including budget monitoring and control and will be held accountable for those budgets; and (b) the drawing up of a list of those Officers authorised to certify accounts, invoices, orders and expenditure vouchers.

3.4 CERTIFYING OFFICERS

- 3.4.1 Executive Directors shall draw up a list, with the agreement of the Head of Internal Audit, of those officers (including agency workers / interims) authorised to certify accounts, invoices, orders and expenditure vouchers on their behalf within the following limits:

Position	Limit (£)
Executive Directors or Chief Executive	Over 1,000,000
Directors / Corporate Director	1,000,000
Head of Service **	100,000
Other specific managers	10,000
Other nominated Officers	1,000

** where there is no Head of Service post within a Departmental structure, a Director may delegate equivalent authority to a nominated manager if there is an operational need to do so.

- 3.4.2 The financial limits specified under 3.4.1 above will be used to control access to financial systems and on-line transaction approval.
- 3.4.3 Authorised certifying officers have a responsibility to assist internal auditors when reviewing any internal or financial control system for which they are responsible.

- 3.4.4 Where Adult Social Care service users are eligible to access statutory funded care the following authorisation arrangements will apply:

Cost of Weekly Package of Care	Authorisation
<£600	Practice Manager or above
£600-£1,000	Principal Manager or above
£1,001-£2,500	Head of Service or above
£2,501 +	Exec Director of Adult Social Care

3.5 ALL OFFICERS AND MEMBERS

- 3.5.1 Any officer charged with the use or care of the Council's resources should inform himself/herself of the Council's requirements under Finance Standing Orders and Procurement Standing Orders. If any officer requires clarification of their obligations, they should seek advice from the Director – Finance.
- 3.5.2 All officers and Members have responsibilities to protect the resources they administer on behalf of the Council. Council resources must be administered to the benefit of the taxpayer and not for private gain.
- 3.5.3 Any officer or Member shall immediately report to the Head of Internal Audit, either directly or through the appropriate manager, any circumstances which suggest the possibility of financial irregularity, loss, fraud or corruption.

3.6 UNOFFICIAL FUNDS

- 3.6.1 The responsibilities of an Executive or Director may extend to custody of unofficial funds or property which belongs to persons other than the Council.
- 3.6.2 The Executive or Director, in consultation with the Head of Internal Audit, shall establish such systems necessary for proper control to be maintained.
- 3.6.3 The Scheme of Delegation within each department shall identify these responsibilities to Officers so authorised.

3.7 URGENT ACTION

- 3.7.1 Where urgent action becomes necessary as a result of some unforeseen emergency, the Chief Executive (or in the absence of the Chief Executive two Executive Directors acting jointly) may take such action and the Finance Standing Orders shall be waived in respect of such action.
- 3.7.2 Every use of this Standing Order shall be reported, in writing, to the next available meeting of the Executive Board.

3.8 APPLICATION OF FINANCE STANDING ORDERS

- 3.8.1 These Standing Orders apply to all Council services.

3.8.2 The financial administration of schools is contained within the Halton Borough Council Scheme for Financing Schools. However, where specific activities are not contained within this scheme then the Council's Standing Orders shall always apply.

PART 4 – FINANCIAL PLANNING AND BUDGET SETTING

4.1 FINANCIAL PLANNING

- 4.1.1 The financial implications of any proposed scheme shall be clearly set out by the appropriate Executive Director. Each Executive Director shall consult with the relevant accountant on the funding arrangements and financial consequences before it is submitted to the Executive Board.
- 4.1.2 The Director - Finance shall prepare each year a Financial Strategy covering a period of up to three years, which shall include forecasts of both spending needs and available resources.

4.2 CAPITAL PROGRAMME

- 4.2.1 The Director - Finance shall compile the approved capital schemes into a Capital Programme on an annual basis.
- 4.2.2 The draft Capital Programme shall be submitted to the Council for approval.
- 4.2.3 The Director - Finance can vary the Capital Programme up to:
- 10% on schemes costing less than £5m
 - £500,000 on schemes costing £5m and above

4.3 REVENUE BUDGETS

- 4.3.1 All revenue estimates shall be prepared in accordance with the agreed guidelines as outlined by the Director - Finance.
- 4.3.2 The Director - Finance shall compile and submit a summary of proposed expenditure and related income budgets to the Executive Board.
- 4.3.3 The Executive Board shall submit the summarised estimates, together with its recommendation as to the Council Tax to be levied, to the Council for approval.
- 4.3.4 The Director - Finance shall prepare, for reference, a record of the detailed provisions contained within the approved Revenue Budget.

PART 5 – BUDGETARY CONTROL

5.1 CAPITAL CONTROL

- 5.1.1 Notwithstanding inclusion in the Capital Programme, no capital expenditure shall be incurred before detailed scheme approval by the Council has been obtained in accordance with the Procurement Standing Orders.
- 5.1.2 The approval, funding, monitoring, control and accounting treatment of all capital expenditure shall be in accordance with the Capital Guidance reported annually to Council as part of the Council's Capital Strategy.
- 5.1.3 Any essential preliminary expenses incurred prior to detailed scheme approval shall be revenue expenditure. Following detailed scheme approval such expenditure may or may not become capital expenditure. The Director – Finance shall then make the appropriate financial provision.
- 5.1.4 Executive Directors are responsible for managing the Capital Programme for their Directorate.
- 5.1.5 Variations in the cost of approved schemes up to £500,000 may be addressed by capital virement under the powers delegated to the Director – Finance, as set out in Standing Order 4.2.3. Virement exceeding £500,000 may only be approved by Council. Virements within a programme may only be authorised with the written approval of the Director – Finance or by the Council.
- 5.1.6 The appropriate Executive Director must immediately produce a report for Council where the total cost of an individual scheme is forecast to exceed the figure approved for that scheme by 10% on schemes costing less than £5m and £500,000 on schemes costing £5m and above (subject to a minimum of £25,000). The report shall identify how the increased cost of the scheme will be dealt with.
- 5.1.7 The Director – Finance shall amend the Capital Programme to reflect changes in the spending profiles of approved schemes which do not increase the total cost of those schemes. Where the total cost of such schemes also increases then the requirements of Finance Standing Order 5.1.5 shall apply.
- 5.1.8 The Director - Finance shall report quarterly to Council on capital spends.
- 5.1.9 All loans and/or grants to outside bodies which are not to be charged to revenue, count as capital spending and shall be dealt with under the Capital Programme.
- 5.1.10 If there is a requirement during any year to add any item to the approved Capital Programme for that year, then all requirements of this standing order shall apply to such addition.

5.2 REVENUE CONTROL

5.2.1 Responsibility for Revenue Control

The approved Revenue Budget authorises Executive Directors to incur expenses or liabilities within the budget's provisions for the period covered by the budget. Under the Council's scheme of delegation, Directors may also exercise this authority.

Directors shall ensure that expenditure and income is correctly coded to the appropriate budget head.

Where the duties of any Officer introduce the need to charge expenditure or allocate income against a cost centre over which they have no control, they shall never do so without full reference and prior approval of the Officer responsible for that budget.

The responsibility for ensuring that expenditure and income is properly contained within the approved budget provision shall lie with the appropriate Director.

Directors shall nominate appropriate managers to be responsible for the monitoring and control of every cost centre.

The Director - Finance shall provide financial information to enable budget holders to monitor and control their budgets.

The Director - Finance shall monitor the Council's overall budget and report thereon quarterly to the Executive Board.

5.2.2 Management of Revenue Budgets

5.2.2.1 Revisions

When potential overspends are detected the first course of action shall be to scrutinise the activity within the budget head to see if it can be re-organised to contain expenditure within the original budget provision.

Where such expenditure cannot be contained within the budget head then other budget heads within the cost centre shall be scrutinised to establish if they can be adjusted to accommodate such expenditure.

The Executive Director and relevant Finance Officer shall be informed of all such adjustments in writing.

No revisions are permitted which involve a change in policy without specific approval of the Executive Board.

Where budgets are initially held centrally within a Directorate, for subsequent re-allocation to specific cost centres once a basis of re-allocation has been established, such re-allocations may be undertaken in liaison with the relevant Finance Officer.

5.2.2.2 Virement

When a potential overspend of expenditure or a shortfall in income cannot be contained within a single cost centre in accordance with the above standing order then consideration shall be given to the transfer of a budget provision from another cost centre - a process called VIREMENT.

It shall be borne in mind that virement represents the diversion of resources meant for one purpose, and approved by the Council for that purpose, to fund other purposes.

Virement is not represented by a re-profiling of budgeted spend, an allocation of subsidies, grants and reimbursements or a transfer of budgets from one cost centre to another that involves no change to a role, management or diversion of resources.

Virement into a receiving budget head may only occur provided that the donating cost centre does not subsequently become overspent during the budget period.

No virement is permitted which involves a change in policy without the specific approval of the Executive Board. Virements which commit expenditure into future years should not be done so without the prior approval of the Director – Finance, carrying forward balances through earmarked reserves.

Authorisation of a virement, which does not involve a change in policy or commits expenditure into future years, will be subject to the authorisation limits set out in the approved certifying officers list (see para 3.4.1 of Finance Standing Orders)

Authorised virements will be processed via Agresso. Virements will not be processed without the authorisation of both the contributing and receiving sides of the budget transfer.

5.2.2.3 Contingency Budgets

When potential overspends impacting on current and future year budgets cannot be virement is not allowed, an application for a contribution from the contingency budget may be necessary..

Where an application for a contingency contribution does not exceed £250,000, it may be approved by the Director – Finance in conjunction with the Portfolio holder for Resources.

Where an application for a contingency contribution would exceed £250,000, it may only be approved by the Executive Board.

PART 6 – ACCOUNTING AND FINANCIAL MANAGEMENT

6.1 FINANCIAL SYSTEMS

- 6.1.1 The Director - Finance is responsible for the operation of the authority's accounting systems, the form of accounts and the supporting financial records. All such systems and records shall be in a form determined by him/her.
- 6.1.2 Each Executive Director shall ensure that, within his/her Directorate, sufficient internal control systems exist to ensure that all resources are properly applied on the activity intended and that the possibility of error, inefficiency or fraud (or other abuse) is minimised.
- 6.1.3 Each Executive Director, with the agreement of the Head of Internal Audit, shall draw up a list of those officers authorised to certify accounts, invoices and expenditure vouchers on their behalf. The list shall be sent to the Head of Internal Audit and shall be amended on the occasion of any change.

6.2 INTERNAL AUDIT

6.2.1 Internal Audit Charter

- (a) Section 151 of the Local Government Finance Act requires that 'every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'. The Council has designated this statutory responsibility to the Director - Finance. As such, the Director- Finance is the statutory officer responsible for ensuring that the Council's internal audit arrangements conform to the Public Sector Internal Audit Standards, which represent mandatory proper practice for internal audit in local government.
- (b) The Public Sector Internal Audit Standards require that the purpose, authority and responsibility of the internal audit activity are formally defined in an internal audit charter. The provisions contained within Section 6.2 of Finance Standing Orders shall therefore constitute the Council's Internal Audit Charter.
- (c) The purpose of the Internal Audit Charter is to:
- Define the purpose, authority and responsibility of Internal Audit
 - Establish the position of Internal Audit within the Council and its reporting lines
 - Authorise access to records, personnel and physical property relevant to the performance of the audit work, and
 - Define the scope of internal audit activities

6.2.2 Definitions

The Public Sector Internal Audit Standards require that the following terms be defined in respect of the internal audit function:

Internal Auditing:	An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
The Board:	The Audit and Governance Board has delegated responsibility for overseeing the work of Internal Audit. The powers and duties of the Audit and Governance Board are set out in Appendix 4 of Chapter 8 of the Council Constitution.
Senior Management:	The Chief Executive and members of the Council's Management Team.
Chief Audit Executive:	The Head of Audit, Procurement & Operational Finance.

6.2.3 Purpose of Internal Audit

- (a) The Accounts and Audit Regulations 2015 (Regulation 5 (1)) require that local authorities 'must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- (b) Internal Audit will therefore evaluate and contribute to the improvement of risk management, control and governance processes using a systematic and disciplined approach.
- (c) Internal audit work will also seek to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

6.2.4 Core Principles for the Professional Practice of Internal Auditing

The Public Sector Internal Audit Standards outline ten core principles for the provision of an effective internal audit:

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive and future-focused

- Promotes organisational improvement

6.2.5 Professionalism and Ethics

- (a) Internal audit activity is governed by adherence to the Public Sector Internal Audit Standards. This guidance constitutes principles of fundamental requirements for the professional practice of internal auditing and for the evaluating the effectiveness of internal audit activity.
- (b) The Chief Audit Executive is responsible for managing the internal audit activity in accordance with the internal audit charter and the Definition of Internal Auditing, the Code of Ethics and the Standards. The Chief Audit Executive must hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.
- (c) The Public Sector Internal Audit Standards contain a Code of Ethics, which is mandatory for all persons involved in internal audit activity in the public sector.
- (d) Internal auditors are also governed by the Code of Ethics of the relevant professional bodies of which they are a member, and all codes and policies operated by the Council.
- (e) All internal auditors are required to complete and sign a 'Code of Ethics and Declarations of Interest Statement' on an annual basis.
- (f) Internal auditors must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life, information on which can be found at www.public-standards.gov.uk.

6.2.6 Independence and Objectivity

- (a) Internal audit activity must be independent and internal auditors must be objective in performing their work. In order to achieve this, internal audit activity shall operate in a framework that allows:
 - Internal auditors to be free from operational responsibilities, thereby ensuring independence from the activities audited;
 - The Chief Audit Executive to have direct and unrestricted access to senior management and the Board;
 - The Chief Audit Executive to have the freedom to report in his or her name to all officers and members.
- (b) The Chief Audit Executive is responsible for ensuring the organisational independence of internal audit activity and shall report and explain to the Audit and Governance Board on how any potential impairment to independence or objectivity will be managed.
- (c) Assurance engagements for functions over which the Chief Audit Executive has responsibility must be overseen by a party outside the internal audit activity. Internal auditors shall also have direct access to senior management,

if required, to report any concerns relating to functions over which the Chief Audit Executive has responsibility.

6.2.7 Scope of Internal Audit

- (a) The Chief Audit Executive is responsible for providing a continuous internal audit. The scope of assurance services to be provided shall extend to the entire governance, risk management, and internal processes of the Council, comprising financial and non-financial systems.
- (b) The Chief Audit Executive will develop an annual internal audit plan based on an understanding of the significant risks to which the Council is exposed.
- (c) Assurance services will only be provided to parties outside the Council with the prior agreement of the Audit and Governance Board.
- (d) The nature of any planned consultancy or advisory services to be provided shall be set out in the annual audit plan. The Chief Audit Executive will seek approval from the Audit and Governance Board for any significant additional consulting services, prior to accepting the engagement.
- (e) The role of Internal Audit in fraud-related work is set out in the following Council documents:
 - Finance Standing Orders
 - Anti-Fraud, Bribery and Corruption Policy
 - Fraud Response Plan
 - Whistleblowing Policy
 - Prevention of the Facilitation of Tax Evasion Policy
- (f) Managing the risk of fraud and corruption is the responsibility of management. However, if requested, Internal Audit may assist with the investigation of suspected fraud and corruption. Internal auditors shall also consider the risk of fraud and corruption when planning and undertaking all audit engagements.
- (g) It is a requirement of section 11.1 of Finance Standing Orders that any officer or Member shall immediately report to the Head of Internal Audit, either directly or through line management, any circumstances which suggest the possibility of financial irregularity, loss, fraud or corruption. The circumstances will be outlined to the Director - Finance, the Director - Legal and Democratic Services (Monitoring Officer) and the Chief Executive to decide what action is necessary by way of investigation and report.

6.2.8 Resourcing of Internal Audit

- (a) The Chief Audit Executive is responsible for assessing the Council's internal audit resource requirements. The Audit and Governance Board shall be informed of proposed solutions should there be an imbalance between resource availability and requirement.
- (b) The Chief Audit Executive will ensure that the Internal Audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the Council's internal audit requirements.

6.2.9 Authority of Internal Audit

- (a) Internal auditors shall be empowered to:
- Enter any Council premises or land at all reasonable times;
 - Have access to all records, documents, data and correspondence relating to Council business, and any unofficial funds operated by an employee as part of their duties;
 - Require any employee of the Council to provide such explanations, information or other assistance concerning any matter under examination as part of any audit engagement;
 - Require any employee of the Council to produce cash, stores, or any other property under his or her control.
- (b) These rights of access apply equally to partner organisations that have links with, or provide services on behalf of the Council (e.g. voluntary aided schools), where the Council has a statutory or contractual entitlement to exercise such right. These rights shall be included in all contractual arrangements entered into with such organisations.

6.2.10 Reporting

- (a) The findings and agreed action plans from each internal audit engagement shall be reported to the:
- Appropriate service manager(s)
 - Appropriate Executive Director, Director and Head of Service
 - Director – Finance
 - Chief Executive
 - External Audit
- (b) The internal audit function forms part of the Finance Department. The Chief Audit Executive reports directly to the Director – Finance.
- (c) The Chief Audit Executive also reports functionally to the Audit and Governance Board. The reporting arrangements include:
- Regular progress reports summarising the outcomes of internal audit work and any significant risk exposures and control issues, including fraud risks, governance issues, value for money issues and any other matters considered relevant;
 - An annual report that provides an overall internal audit opinion on the Council's control environment. This will form one of the sources of assurance that support the Council's Annual Governance Statement.

6.2.11 Quality Assurance & Improvement Programme

- (a) The Public Sector Internal Audit Standards require a Quality Assurance & Improvement Programme (QAIP) to be developed and maintained that covers all aspects of internal audit activity.

- (b) The Chief Audit Executive is responsible for ensuring that the QAIP conforms to the requirements of the Public Sector Internal Audit Standards and provides reasonable assurance to key stakeholders that Internal Audit:
- Performs its work in accordance with the Internal Audit Charter
 - Operates in an effective and efficient manner
 - Is adding value and continually improving the service provided
- (c) The Chief Audit Executive will communicate to senior management and the Board on the QAIP. This will include reporting progress against any improvement plans and on the results of ongoing internal and external assessments.

6.3 INSURANCE

- 6.3.1 The Director – Finance shall place all insurance cover and shall maintain a record of all policy details for notified risks.
- 6.3.2 Each Executive Director is responsible for minimising the risks from insurance claims and must ensure that procedures are in place to do so within their areas of responsibility.
- 6.3.3 Each Director shall notify the Director – Finance, of all material changes in their areas of responsibility that may impact on the Council’s presentation of risk to its insurer(s).
- 6.3.4 Each Director shall notify the Director – Finance of new risks or assets which require insurance, and of any alterations affecting existing risks or insurance in advance of the changes to cover being required.
- 6.3.5 Each Director shall notify the Director - Finance in writing of any loss, liability, damage or any event which may entitle the Council to make a claim under any insurance policy.
- 6.3.6 Within the terms of certain policies the police must be contacted within certain time limits. It shall be the responsibility of each Director to ensure that this is done and to notify the Director – Finance accordingly.
- 6.3.7 The Director – Finance, or authorised representative where applicable, shall negotiate the claims with the insurers, in consultation with other officers where necessary.

6.4 BANKING ARRANGEMENTS AND CHEQUES

- 6.4.1 All arrangements with the Council's bankers shall be made by the Director - Finance who shall operate such accounts as he/she considers necessary. All bank accounts held shall be in the name “Halton Borough Council”
- 6.4.2 Cheques, bank transfers, direct debits or other instructions to the Council's bankers, must be certified by any one of the following;
- Chief Executive

- Director - Finance
- Head of Revenue and Financial Management
- Head of Audit, Procurement and Operational Finance
- Head of Benefits
- Corporate Director - Chief Executive's Delivery Unit

6.4.3 All cheque stationery shall be ordered and controlled by the Director - Finance who shall make proper arrangements for its safe custody.

6.4.4 Cheques or other written instructions to the Council's bankers, in respect of accounts which hold and control funds where the Council has a duty of trusteeship or care, may only be signed by those officers so authorised by the Director - Finance and the appropriate Executive Director.

6.4.5 Only the Director- Finance, or authorised representative where applicable, shall have the authority to request additional Corporate Credit Cards.

6.5 TREASURY MANAGEMENT, BORROWING AND INVESTMENT

6.5.1 The Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policy, objectives and approach to risk management of its treasury management activities;
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Code of Practice for Treasury Management in the Public Services, subject to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

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

6.5.3 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive Board, and for the execution and administration of treasury management decisions to the Director – Finance, who will act in accordance with the Council's policy statement and TMPs and, if he / she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.

6.5.4 The Council nominates the Audit and Governance Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

6.5.5 The Director - Finance shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing by the Council.

6.5.6 Borrowing and investments shall be made in the name of the Council.

6.5.7 All treasury management transactions must receive authorisation. Consideration must be given to the length and value of the transaction and that it satisfies the Council's priority towards security, liquidity and yield.

Authorisation Limits for Borrowings

- Short-term borrowings (up to 364 days) <=£10m will be arranged by a member of the Treasury Management team under the delegated powers of the Director - Finance as per the Treasury Management Policy Statement. All dealings will be subsequently authorised by one of the bank signatory officers listed in paragraph 6.4.2 of Finance Standing Orders.
- Long term borrowings and short-term borrowings >£10m must be authorised by one of the following officers:
 - Chief Executive
 - Corporate Director – Chief Executive's Delivery Unit
 - Director – Finance

Authorisation Limits for Investments

- Investments <=£10m and up to six months in duration must be authorised by one of the bank signatory officers listed in paragraph 6.4.2 of Finance Standing Orders.
- Investments >£10m and all investments greater than six months in duration must be authorised by one of the following officers:
 - Chief Executive
 - Any Executive Director
 - Director – Finance

6.5.8 All investments must be made in accordance with the approved Council Counterparty List, which is set out in the Treasury Management Strategy.

6.6 SUPPORT FOR SMALL AND MEDIUM ENTERPRISES SCHEME

6.6.1 All applications under the Support or Small and Medium Enterprises Scheme, will be evaluated in accordance with the criteria and processes established for the Scheme and approved by Council.

6.6.2 The award of business loans in relation to successful applications under the Support for Small and Medium Enterprises Scheme, shall be authorised as follows:

- 1) The award of business loans up to £1m shall be approved by the Director, Finance, in liaison with the Executive Board Portfolio Holder for Resources and the Executive Director – Environment and Regeneration.

- 2) The award of business loans between £1m and £5m shall be approved by the Chief Executive in liaison with the Leader of the Council, the Executive Board Portfolio Holder for Resources, the Director, Finance and the Director, Economy, Enterprise and Property.
- 3) The award of business loans greater than £5m will be a matter for decision by Executive Board.

6.7 LEASING AND CREDIT ARRANGEMENTS

6.7.1 Types of Leases

A lease is an arrangement whereby the lessor provides the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

The funding and accounting arrangements in respect of leases are determined by whether the arrangement is defined as either a Finance lease or an Operating lease. Each of these carries significantly different financial and accounting implications.

In overall terms, a Finance lease transfers substantially to the lessee all the risks and rewards relating to ownership of an asset. Ownership of the asset may or may not be transferred at the end of the lease period. An Operating lease is any lease which does not meet the definition of a Finance lease.

Certain other service provision arrangements may include the right to use assets and may therefore also fall within the definition of a lease.

The definition of a lease includes Hire Purchase arrangements (see paragraph 6.7.1.4). Therefore the requirements of leases similarly apply to Hire Purchase arrangements.

Whether a lease is defined as a Finance or Operating lease depends upon the substance of the transaction rather than the form of the contract.

Leases of land and buildings are classified as Finance or Operating leases in the same way as leases of any other assets. However, the land and buildings elements of a combined land and buildings lease must be considered separately for the purpose of lease classification.

Before any type of lease or quasi-lease arrangement is entered into the full details of the arrangement must first be approved by the Director - Finance, or his/her authorised representative where applicable.

6.7.1.1 Finance Leases

The following circumstances would normally lead to a lease being classified as a Finance lease:

- 1) the lease transfers ownership of the asset to the lessee by the end of the lease term

- 2) the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value, so as to make it reasonably certain the option will be exercised
- 3) the lease term is for the major part of the economic life of the asset
- 4) the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- 5) The leased assets are of such a specialised nature that only the lessee can use them without major modifications

However, the above circumstances are not always conclusive. If it is clear from other features that the lease does not transfer substantially all risks and rewards incidental to the ownership, then the lease will instead be classified as an operating lease.

In the case of a Finance lease a finance company provides the capital to purchase the asset which is acquired by the Council. The Council carries all the financial risks, with a non-cancellable primary lease period and an optional secondary lease term at nominal rental. For a Finance lease the finance company is looking to recover the full cost of the asset from the primary lease period. The liability must appear on the Council's Balance Sheet with a note of future liability.

An asset financed in this way must be treated as a capital asset and the lease is therefore a form of capital financing.

6.7.1.2 Operating Leases

In the case of an operating lease, a finance company provides the capital to purchase the asset which is acquired by the Council. However, the Council does not carry all the financial risks since the finance company is not looking to recover the full costs of the asset from the primary lease, relying instead on its own expertise to re-market the equipment to recover any balance from resale or further rental contracts.

Because of this, Operating Leases are cheaper than Finance Leases. Assets financed in this way are never owned by the Council and therefore cannot be sold. The liability does not appear on the Council's Balance Sheet, as lease payments are treated as an on-going revenue expense over the lease term, although details of future liability must appear as a note in the Comprehensive Income and Expenditure Statement.

Assets financed by Operating leases do not count as capital assets within the Council's accounts.

6.7.1.3 Contract Hire

A supplier provides equipment for the Council to use for an agreed period. They receive in return a rental charge and the agreement does not distinguish

between the costs of the goods and this charge. These arrangements may or may not include maintenance. While this type of agreement is generally more expensive than Finance or Operating Leases they are usually much more flexible regarding period and termination.

Equipment financed in this way is never owned by the Council and therefore cannot be sold. The liability does not appear on the Council's Balance Sheet and there is no requirement to disclose any future liability.

6.7.1.4 Hire Purchase

This is a specific type of Contract Hire in which the Council has the option to purchase the equipment, at a nominal price, at the end of the hire period. They are usually short periods.

Equipment financed in this way can only be sold if the option to purchase has been exercised.

The liability must appear on the Council's Balance Sheet with a note of future liability.

Hire Purchase arrangements are defined as a form of lease. Therefore the requirements of leases set out in paragraphs 6.6.1 to 6.6.1.2 will similarly apply to Hire Purchase arrangements.

6.7.2 Authorisation

Before any type of lease or quasi-lease arrangement is entered into the full details of the arrangement must first be approved by the Director - Finance, or his/her authorised representative where applicable.

6.7.3 Expenditure Controls

Finance Leases and Hire Purchase agreements, because they count as capital expenditure, must comply with the Council's capital controls under Standing Order 5.1.

Although Operating Leases and Contract Hire arrangements do not count as capital expenditure, where they commit expenditure beyond the period covered by the approved revenue budget, the implications of such arrangements shall be reported in writing to the Director - Finance for prior approval.

6.8 SUBSIDIES, GRANTS AND AGENCY REIMBURSEMENTS

6.8.1 Each Executive Director shall be responsible for the identification and maximisation of all Subsidies, Grants and Agency Reimbursements and shall report in writing to the Director - Finance the details of all bids for funding including any match-funding required to be made by the Council.

6.8.2 The relevant Director shall be responsible for submitting the necessary claims within the relevant time limits.

- 6.8.3 The Director - Finance shall be responsible for taking all reasonable steps to ensure the prompt settlement of claims.
- 6.8.4 All claims for grant and subsidy must be signed by the Director - Finance or, in their absence, by the Head of Revenue Financial Management.
- 6.8.5 All projects requiring, or in receipt of, external funding must be registered on the Bidtrack database.
- 6.8.6 Documentation held in support of external funding claims should be retained in accordance with guidance issued by the Director – Finance or the Director–Economy, Enterprise and Property.

6.9 TAXATION

- 6.9.1 There is a clear responsibility and onus on the Council to operate the PAYE system. The system must comply with all the Inland Revenue regulations and respond to all changes as they are introduced. The system does not just embrace employees of the Council, it also includes payments to Members and other parties.
- 6.9.2 The Corporate Director – Chief Executive’s Delivery Unit shall be responsible for ensuring that the appropriate systems and accounting arrangements are in place to properly identify and account for all aspects of PAYE and NIC liabilities.
- 6.9.3 The Corporate Director – Chief Executive’s Delivery Unit shall maintain an up-to-date knowledge and point of reference for all PAYE and NIC matters.
- 6.9.4 Each Executive and Director shall monitor their operations with regard to PAYE and NIC obligations.
- 6.9.5 All Executive and Directors shall be responsible for notifying the Corporate Director Chief Executive’s Delivery Unit of any changes within their area which might affect liability and collection of PAYE and NIC for those employed within that area.

6.10 VALUE ADDED TAX

- 6.10.1 The Director - Finance shall be responsible for ensuring that the appropriate systems and accounting arrangements are in place to properly identify and account for all transactions involving VAT.
- 6.10.2 Each Executive Director shall monitor their operations with regard to VAT matters. The correct VAT liability shall be attached to all income due and all recoverable VAT on purchases shall comply with HM Customs and Excise regulations.
- 6.10.3 The Director - Finance shall maintain an up to date knowledge and point of reference for all VAT matters.

6.10.4 Each Executive and Director shall be responsible for notifying the Director - Finance of any changes within their area which might involve VAT liability.

6.11 CONSTRUCTION INDUSTRY (TAX) SCHEME (CIS)

6.11.1 The Director – Finance – shall be responsible for ensuring that the appropriate systems and accounting arrangements are in place to properly identify and account for all transactions involving works carried out within the scope of the Construction Industry (Tax) Scheme.

6.11.2 Each Executive Director shall monitor their operations with regard to the Construction Industry (Tax) Scheme.

6.11.3 The Director – Finance – shall maintain an up to date knowledge and point of reference for all Construction Industry (Tax) Scheme.

6.11.4 Each Executive and Director shall be responsible for notifying the Director – Finance – of any contracts awarded for construction operations.

6.11.5 Each Executive Director shall be responsible for notifying the Director – Finance – of any contracts awarded for construction operations where the Council is not the end user, to determine whether the Council must apply normal VAT rules or apply Domestic Reverse Charge.

6.12 FINANCIAL RESERVES AND BALANCES

6.12.1 The Director, Finance, will be responsible for maintaining and managing the Council's Reserves and Balances Strategy, which will be reported annually to Executive Board alongside the Medium Term Financial Strategy.

6.12.2 The Director, Finance, will establish and manage financial reserves and provisions as are considered appropriate, in order to support the Council's day to day activities, to provide for potential financial commitments, and to ensure the Council's financial standing remains sound and aids the achievement of its long-term objectives and corporate priorities.

PART 7 – ASSET CONTROL

7.1 LAND AND BUILDINGS

- 7.1 The Director – Economy, Enterprise and Property shall maintain a terrier of all properties which the Council owns or has an interest in, recording against each all details relating thereto.
- 7.2 The Director (Legal and Democratic Services) shall have the custody of all title deeds under secure arrangements.

7.2 MOVABLE PROPERTY

- 7.2.1 Inventories shall set out particulars of all furniture, equipment, movable plant and machinery, vehicles and other movable assets with a replacement value exceeding £250 except for stocks and stores which shall be dealt with under Standing Order 7.4.
- 7.2.2 Inventories shall be compiled, and kept up to date, by each Director. They shall also undertake physical checks at least annually and evidence this process.
- 7.2.3 Attractive and portable items, such as computers, cameras and video recorders, should be identified with security markings as belonging to the Council.
- 7.2.4 Purchases of new items and replacement of existing items shall be recorded in the appropriate inventory showing the order number or other appropriate reference to connect that entry with the expenditure recorded in the Council's accounts.
- 7.2.5 Deletions from inventories shall be in accordance with approved procedures and the manner of disposal of redundant or obsolete items shall be in accordance with Standing Order 7.8.

7.3 VEHICLES AND PLANT

- 7.3.1 The form of inventory to be maintained to ensure the proper control and efficient use of all Council vehicles shall be determined by the appropriate Director.
- 7.3.2 The manner of disposal of redundant or obsolete vehicles and plant shall be either, inclusion for an agreed part exchange value within the contract for replacement equipment, or in accordance with Standing Order 7.8.

7.4 STOCKS AND STORES

- 7.4.1 Each Director shall be responsible for the custody and control of stocks and stores in their Department.
- 7.4.2 The receipt, issue and return of all stock items shall be in a manner prescribed by each Executive Director with the agreement of the Director - Finance.
- 7.4.3 Stocks shall not be held in excess of normal requirements except in special circumstances.

7.4.4 Directors shall arrange for continuous stocktaking to take place throughout the year and ensure that all items are checked at least once during the year.

7.4.5 Following any stock check a reference shall be entered on the stores records which shall indicate any deficiency to be written off or any surplus to be brought into charge as stock.

7.4.6 Directors shall certify the value of stock held at the 31 March each year and shall notify the Director - Finance of such value as per the Closure of Accounts guidance issued to all Budget Managers prior to 31 March.

7.5 SECURITY

7.5.1 Arrangements for proper security and preventing unauthorised use of all buildings, stocks, stores, furniture, equipment, computer hardware, software, confidential data, cash, documents having monetary value and any other item of value shall be in accordance with procedures agreed with the Head of Internal Audit.

7.5.2 Keys to safes and similar receptacles containing cash shall be retained in the possession of the person responsible for that cash at all times. Such keys shall never be left in Council premises overnight. Any loss shall be reported to the Head of Internal Audit immediately.

7.5.3 Cash holdings shall not at any time exceed those covered by the insurance policies and agreed with the Head of Internal Audit.

7.5.4 Unofficial funds and private property shall be held under secure arrangements agreed with the Head of Internal Audit.

7.6 UNAUTHORISED USE OF COUNCIL PROPERTY

7.6.1 The Council's property shall not be removed from Council premises otherwise than in the normal course of the Council's business nor used otherwise than for Council purposes, except with the specific approval of the Director concerned.

7.7 LOST PROPERTY

7.7.1 Items of lost property found or handed in on Council Premises shall be entered immediately in a Lost Property Register.

7.7.2 The Register shall itemise at least:

- Date the item was found
- Name and address of finder
- Description of item
- Estimated value of item
- Signature and address of claimant

7.7.3 Items shall be labelled and referenced to the Register and stored in a safe place. Any cash shall be banked as soon as possible.

- 7.7.4 Any claim shall be paid by cheque or out of Petty Cash, depending on the sum involved, and referenced to the Lost Property Register.
- 7.7.5 Unclaimed items shall be disposed of after six months, preferably by donation to a Local Registered Charity. Consideration shall be given to selling the more valuable items, either individually or as a batch and shall be in accordance with Standing Order 7.8.
- 7.7.6 Where the property is of a perishable nature or where storage would involve unreasonable expense or inconvenience (e.g. wet towels or clothes in swimming areas), then disposal can occur sooner in accordance with procedures approved by the relevant Director.
- 7.7.7 Notice advising the broad policy shall be displayed in all pertinent areas.

7.8 DISPOSAL OF ASSETS

- 7.8.1 When disposing of assets other than land, the official 'Disposal of Assets & Scrap Materials' form shall always be used, for control and accounting purposes.
- 7.8.2 Any proposal to dispose of an asset shall not commence before completing Part 1 of the Disposal form which shall be submitted, in duplicate, to the appropriate Director. Each proposal shall give a full description of the item, outline the reason for disposal, the intended method of disposal and the estimated value to be received.
- 7.8.3 Where the consideration receivable by the Council on disposal is likely to be more than £50,000 then full reference shall be made to the Procurement Standing Orders (Part 5).
- 7.8.4 The authority to dispose of any asset, where the consideration receivable is likely to be less than £50,000, lies with the appropriate Director.
- 7.8.5 Each Director, where the consideration is likely to be less than £50,000, shall be responsible for ensuring the best terms are achieved and accepted. Quotations or tenders shall be invited as outlined below:
- £1,000 or less, quotations are advisable and should be in writing,
 - more than £1000 up to £50,000, three written quotations are required.
- 7.8.6 Part 2 of the Disposal form shall be completed to outline all the terms and acceptance details. A copy of the form shall be returned to the proposing officer for record purposes.
- 7.8.7 The details of the disposal shall be noted on the appropriate inventory.
- 7.8.8 Where departmental policy dictates that scrap is accumulated into a viable amount for disposal, each Manager responsible for such areas shall ensure that it is properly retained and passed to the designated officer responsible for the safe custody of this stock within the depot. When an appropriate quantity has accumulated that officer shall complete Part 1 of the Disposal Form and submit

it to the appropriate Director or Authorised Officer, for approval. The procedures for the Disposal of Assets shall then be followed.

- 7.8.9 Any item, particularly specialist equipment, included for a 'trade-in' or 'part exchange' allowance against the costs of new or replacement equipment are subject to separate contractual arrangements and do not form part of these procedures.

PART 8 – EXPENDITURE CONTROL

8.1 PAYROLL

8.1.1 The Head of HR Operations shall be responsible for:

- the payment of salaries, wages and allowances
- the production of all payrolls
- the maintenance and control of the associated records

8.1.2 Payments shall only be made where a post is included in the approved establishment or is an agreed temporary appointment and shall be in accordance with the grade, allowances and conditions appropriate to that post.

8.1.3 Directors or an authorised certifying officer, shall provide the Head of HR Operations with the details of appointments, terminations of employment, and other matters necessary for payroll purposes. They shall be responsible for ensuring that all documents and electronic submissions relating to payroll claims and to absences from duty are in accordance with specified procedures and in particular are;

- prepared to proper standards of accuracy
- approved and certified by the Director or an authorised certifying officer prior to submission for processing
- submitted in a timely manner
- retained in a manner suitable for subsequent examination

8.1.4 At regular intervals, Directors shall check the employees' names listed on the payroll of the cost centres for which they are responsible to verify accuracy and completeness. Any inaccuracies shall be reported to the Head of HR Operations.

8.2. PURCHASE ORDERS

8.2.1 Each Executive Director must ensure that all expenditure is lawful and has been properly authorised. Additionally, each Director must ensure that adequate controls and procedures operate within their areas of responsibility.

8.2.2 The Council's Procurement Standing Orders must be complied with.

8.2.3 Due consideration must be given to ensure that value for money is achieved, including comparison with costs of internal provision where available, e.g. Print Unit.

8.2.4 Orders must be approved by designated certifying officers.

8.2.5 Orders must be raised using the correct expenditure and product codes.

8.2.6 Orders must only be raised where there is sufficient budget to cover all known costs associated with the order.

- 8.2.7 Orders must be raised and processed through the Council's approved systems, except where:
- the order is made under the terms of standard conditions, i.e. JCT NEC or ICE
 - the order is made via alternative systems other than the Council's finance system
 - the order is made via E-Procurement payment methods i.e. Procurement Card, Credit Card, electronic interfaces e.g. payments to social care providers
 - the expenditure relates to payments or allowances made to individuals that relate to social care, e.g. adult placements, direct payments, foster care allowances, payments to young person's leaving care etc.
 - the expenditure relates to regular periodical payments of the type approved by the Director - Finance, e.g. gas, electricity, water, rent
 - specific approval is obtained from the Director – Finance
- 8.2.8 Orders placed for goods and services as a matter of urgency must be confirmed by raising an order on the approved financial system. The confirmation must be clearly marked as such and dispatched to the supplier so that any invoices can be referenced back to the official order.
- 8.2.9 Official orders must not be used for any personal, private or unofficial business.
- 8.2.10 In accordance with the Employee Code of Conduct, officers must declare any links or personal interests that they have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the Council.
- 8.2.11 Orders must not be placed with firms providing promotional offers which constitute inducements to staff unless such offers are converted into discounts for the benefits of the Council.
- 8.2.12 On receipt of goods, officers must record details against the purchase order on the official financial system within 24 hours of receipt of goods.

8.3 INVOICES AND CREDITOR PAYMENTS

- 8.3.1 Each Director shall be responsible for ensuring that all accounts arising from within their Directorate are properly examined, verified and certified before submission for payment. Additionally, each Director shall be responsible for ensuring that all invoices relating to construction operations comply with HMRC requirements relating to the Construction Industry (Tax) Scheme (CIS).
- 8.3.2 The authorised certifying Officer shall only certify accounts for payment once the following matters have been established by that Officer:
- the works, goods or services to which the account relates have been received, carried out, examined and approved

- the quantities, prices, extensions, calculations, discounts, allowances, credits and tax are correct
- for invoices and payment requests relating to works carried out under the Construction Industry Scheme, the claim for the cost of materials has been examined and can be substantiated by supporting records retained which are available for inspection. The authorised certifying officer is also responsible for ensuring that the part of the payment for materials supplied is not overstated. If the materials element of the invoice looks to be excessive, the authorised certifying officer should challenge the contractor and an amended invoice or payment request form should be obtained.
- the relevant expenditure has been allocated to the correct financial code
- the expenditure is contained within the approved budget
- the proper entries are made in inventories, stores records or other property records where appropriate

8.3.3 The Council's standard payment terms are 30 days from the receipt of an invoice. Directors, and other Certifying Officers, are responsible for ensuring that undisputed accounts are processed for payment within this timescale to avoid the Council becoming liable for late payment charges and interest. The authority to negotiate accelerated invoice payment terms is restricted to the Director – Finance, or his/her authorised representative where applicable.

8.3.4 Payment will be made by the Director – Finance in the manner considered most appropriate e.g. BACS payment or payment by government procurement card, payment by corporate credit card. Other cost-effective methods of payment may also be considered as and when required.

8.3.5 For works carried out under the Construction Industry (Tax) Scheme (CIS), invoices and payment request forms that do not provide a clear breakdown of labour, materials and other associated costs must be returned to the contractor for amendment and should not be passed for processing

8.4 EXPENSES AND ALLOWANCES

8.4.1 Members of the Council shall make claims for the payment of expenses or allowances in accordance with the provisions of, and for duties approved by, the Members Allowance Scheme as agreed by the Executive Board.

Claims shall be submitted to the Director - Finance, in the manner prescribed for that purpose. These shall be checked against supporting records and certified by the Director - Finance or an authorised certifying Officer.

The Director - Finance shall arrange payment in the manner considered most appropriate.

8.4.2 Officers claiming car allowance shall do so in the manner prescribed for that purpose and shall outline the reason for each journey together with sufficient detail to support the claim. Claims shall be processed on a monthly basis

through the payroll system in accordance with the agreed timetable. Claims must be approved by an authorised certifying officer.

8.4.3 Officers claiming reimbursement for subsistence, travelling and other expenses shall do so in the manner prescribed for that purpose. Claims shall be supported by receipts, wherever possible, and must be approved for payment by an authorised certifying officer. VAT relating to expenditure reimbursed must be properly accounted for in each claim.

8.4.4 Officers claiming post entry training expenses shall do so in the manner prescribed for that purpose. Claims shall be:

- Approved and certified by an authorised certifying officer;
- Submitted to the Training Manager who will agree the details and sums involved and record and approve the claim

8.5 PETTY CASH

8.5.1 The Director - Finance may make advances, in cash, to those officers as may need them, on account of expenses to be incurred by them on behalf of the Council.

8.5.2 The Petty Cash system is included in the Council's purchasing procedures as a matter of prudence and convenience. Use of the system shall be restricted to those items of a "petty" nature, being too small to warrant treatment through the normal ordering/payment procedures. In any event, the value of any item purchased shall never exceed £50, except as agreed with the Director - Finance.

8.5.3 Use of such an account shall be restricted to the purpose for which it was set up.

8.5.4 Petty Cash accounts shall be maintained on the imprest system by the approved officers, with reimbursement being claimed at appropriate intervals.

8.5.5 Petty Cash accounts shall not be allowed to become overdrawn.

8.5.6 The account shall be maintained in the manner prescribed below:

- Official receipts shall be obtained for every transaction. These should list full details of items purchased and include the supplier's VAT registration number where applicable.
- Receipts shall be signed and dated by the claimant upon reimbursement.
- Receipts shall be entered into the Petty Cash Book as soon possible. This must be done at least once a week.
- Claims for reimbursement shall be submitted to the Director - Finance.
- Reimbursement to claimants shall never be made from any other floats.

- Petty Cash floats are the responsibility of particular Officers. If circumstances demand that other officers have access, then they shall be made aware of, and adhere to, the above procedures to ensure proper administration and control.

8.5.7 Occasionally items of a larger nature are required urgently, and circumstances dictate that a cash imprest system shall be used. The criteria governing all petty cash payments shall be observed.

PART 9 – INCOME CONTROL

9.1 INCOME

9.1.1 Fees and Charges are to be set out in accordance with the principles set out in the Corporate Charging Policy Framework and reported annually to Executive Board, prior to the start of a financial year.

9.1.2 Wherever possible, income should be collected either in advance of service delivery or at the point of service delivery. This assists the cash flow of the Council, minimises the risk of non-payment and avoids unnecessary administration in regard to the recovery of debts.

9.1.3 Each Director shall ensure that:

- The Director, Finance is made aware of all sums due to the Council
- Appropriate systems and controls are put in place in regard to the collection, reconciliation and banking of income
- Invoices are raised correctly and served in a timely manner
- All payment demands clearly state that payment is to be made to “Halton Borough Council”
- VAT is correctly accounted for in respect of all income
- Receipts and other approved documentation are issued for income collected
- Income is paid promptly into the Council’s bank account in full
- Income received on behalf of the Council is credited to the appropriate budget code
- Income and debt levels are monitored, and appropriate recovery procedures are initiated in respect of unpaid debt
- The requirements of the Closure of Accounts Guidance Notes are complied with in regard to the notification of income due

The Director - Finance - shall determine the actions to be taken to ensure that monies due to the Council are collected effectively and that debt owed is kept to a minimum.

9.1.4 Income may only be written off as irrecoverable where:

- Specific approval is obtained from the Executive Board; or
- Approval is obtained from the Director, Finance, to write off income up to a value of £100,000 where a debt becomes irrecoverable due to bankruptcy, dissolution, liquidation or becomes irrecoverable by operation of law.

9.1.5 Subsidies, Grants and Agency Reimbursements may be seen as income but are treated separately under Standing Order 6.8.

PART 10 – COLLECTION AND CONTROL OF MONEY

10.1 GENERAL

- 10.1.1 The Director - Finance is responsible for the collection and control of all money due to the Council. The Director – Finance shall supervise all matters relating to the collection arrangements and shall approve all systems, procedures and documentation involved.
- 10.1.2 All cheques etc., shall be made payable to "Halton Borough Council". Officers receiving payments shall ensure that the payee's name is correct, date is correct, cheque has been signed and the words and figures agree. Whenever possible, the banker's card should be inspected, and the card number and address of the payer written on the reverse of the cheque.
- 10.1.3 On no account shall cash be used for cashing personal cheques or making advances in exchange for IOU's.
- 10.1.4 Official money shall be kept separate from private or unofficial money at all times.
- 10.1.5 Where a discrepancy or irregularity occurs in respect of money held on behalf of the Council, it shall be reported to the Head of Internal Audit immediately.

10.2 RECEIVING MONEY

- 10.2.1 All money received shall be acknowledged and recorded in the prescribed manner relative to the type of income, for example:
- official Council receipt
 - rung up in a till
 - ticket
 - credit card receipt
- 10.2.2 Officers receiving payments, when receiving money, are responsible for ensuring its correctness.
- 10.2.3 When payment is received by cheque, the receipt number relating to that payment shall be endorsed on the cheque.
- 10.2.4 Change shall never be given for cheques offered in excess of the amount due.
- 10.2.5 Payments received through the post shall be dealt with in the manner agreed with the Head of Internal Audit.

10.3 SECURITY OF MONEY

- 10.3.1 Officers receiving payments or receiving money are responsible for its safe custody and to properly account for it until such time as they part with it in an authorised manner.
- 10.3.2 Money retained overnight or over weekends shall be kept locked in a secure place (a safe whenever possible) and care should be taken to ensure that the

insurance cover is not exceeded. Keys to cash drawers, safes, etc., shall be stored securely.

10.4 DEPOSITING MONEY AND BANKING

- 10.4.1 All cash and cheque income received on behalf of the Council shall be promptly paid over to the Director - Finance or deposited in the Council's name with the Council's Bankers. The banking of coinage shall be subject to special arrangements agreed by the Head of Internal Audit.
- 10.4.2 All sums due for banking shall be collected by the approved Security Company in accordance with procedures agreed by the Director - Finance. Any exceptions, and alternative arrangements, shall be agreed by the Director - Finance and shall include adequate security measures.
- 10.4.3 Until proper discharge is obtained, the Officer receiving payment shall be solely responsible for its safekeeping.
- 10.4.4 Official bank stationery shall be used when preparing sums for banking. Where cheques are paid in, the amount of each cheque and some reference to connect them with the debt to which they relate (receipt number or name of the debtor) shall be listed separately to supplement and support the bank stationery.
- 10.4.5 All deposits shall be recorded so as to clearly identify the area or service to which the income collected relates.

10.5 RECORDS AND STATIONERY

- 10.5.1 Reports and summaries relating to the recording, control and accounting of income shall be kept in a manner agreed by the Director – Finance. These records shall be available for inspection at all times and retained for a period agreed with the Head of Internal Audit.
- 10.5.2 Stocks of controlled stationery, such as receipt books, tickets, etc., shall be ordered and stored in accordance with such procedures as agreed with the Director - Finance. Departments holding stocks shall ensure that they are securely held until use. A nominated officer in each area or service shall be responsible for the recording and custody of financial stationery until it is used. The stationery shall be used in the correct numerical sequence. Records shall be available at all times for inspection by the Head of Internal Audit.
- 10.5.3 The use of controlled stationery, including safe custody, shall be in accordance with procedures agreed with the Director - Finance.
- 10.5.4 Used receipt books etc., shall be returned to the nominated Officer and similarly retained for inspection.
- 10.5.5 Collection and deposit records shall be so maintained that ready reference to receipts issued is available, the income is analysed and the dates and amounts of payments made to the Director – Finance or to the Council's Bankers are clearly shown. A copy shall be forwarded to the Financial Management Division as soon as possible after the accounting period ends.

10.5.6 Prime documents relating to the financial transactions of the Council (orders, invoices, timesheets etc.) are to be subject to a retention period relating to the financial transactions of the Council specified by the Director – Finance from time to time in accordance with statutory guidelines. Other documents shall be retained for at least three years.

PART 11 – IRREGULARITIES, FRAUD and CORRUPTION

11.1 REPORTING ARRANGEMENTS

11.1.1 Any Officer or Member shall immediately report to the Head of Internal Audit, either directly or through line management, any circumstances which suggest the possibility of financial irregularity, loss, tax evasion, fraud, bribery or corruption.

11.2 POLICE INVOLVEMENT

11.2.1 No action to involve the police in any investigation of any suspected irregularity shall be taken without prior reference to the Director – Legal & Democratic, Director – Finance and Chief Executive. This excludes those circumstances such as unauthorised entry, burglary and theft where immediate police involvement is essential to comply with insurance requirements.

