

Financial Regulations and Financial Procedure Rules

Contents

| | Page |
|--|---------------|
| INTRODUCTION | 4.06/3-4 |
| KEY RESPONSIBILITIES OF CHIEF OFFICERS | 4.06/5-6 |
| FINANCIAL REGULATIONS | |
| A: Financial Management | 4.06.01/1-5 |
| B: Financial Planning | 4.06.01/6-8 |
| C: Risk Management and Control of Resources | 4.06.01/9-11 |
| D: Financial Systems and Procedures | 4.06.01/12-13 |
| E: External Arrangements | 4.06.01/14 |
| FINANCIAL PROCEDURE RULES | |
| APPENDIX A - FINANCIAL MANAGEMENT | |
| Financial management standards | 4.06.02/1 |
| Managing expenditure | 4.06.02/2-3 |
| Accounting policies | 4.06.02/4 |
| Accounting records and returns | 4.06.02/5-6 |
| The annual statement of accounts | 4.06.02/6-7 |
| APPENDIX B - FINANCIAL PLANNING | |
| Performance plans | 4.06.03/1-2 |
| Budgeting | 4.06.03/2-8 |
| Maintenance of reserves | 4.06.03/9-10 |
| APPENDIX C - RISK MANAGEMENT AND CONTROL OF RESOURCES | |
| Risk Management | 4.06.04/1-2 |
| Internal controls | 4.06.04/2-3 |
| Audit requirements | 4.06.04/4-6 |
| Preventing fraud and corruption | 4.06.04/6-7 |
| Assets | 4.06.04/7-11 |
| Treasury management | 4.06.04/12-14 |
| Staffing | 4.06.04/14-15 |
| APPENDIX D - FINANCIAL SYSTEMS AND PROCEDURES | |
| General | 4.06.05/1-3 |
| Income and expenditure | 4.06.05/3-10 |
| Taxation | 4.06.05/11-12 |
| APPENDIX E - EXTERNAL ARRANGEMENTS | |
| Partnerships | 4.06.06/1-3 |
| External funding | 4.06.06/3-4 |
| Work for third parties | 4.06.06/4-5 |
| Procurement through partnering guidelines | 4.06.06/6-14 |
| Partnership assessment | 4.06.06/15 |

Framework for partnership working 4.06.06/16-20

APPENDIX F - CONTRACT PROCEDURES

Guide to quotations and tenders 4.06.07/1-11
Guide to contract management and control 4.06.07/12-18
Guide to contract completion and review 4.06.07/19-24
Guide to the engagement and use of consultants 4.06.07/25-31

Introduction

- 1.1** The authority's governance structure is laid down in its constitution, which sets out how the council operates, how decisions are made and the procedures that need to be followed.
- 1.2** Financial regulations form part of the constitution and 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.
- 1.3** The regulations identify the financial responsibilities of the Full Council, and overview and scrutiny Members, the Head of Paid Service, the Monitoring Officer, the Finance Director and other Chief Officers. Executive Members and Chief Officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to the Chief Officer in the regulations should be read as referring to them.
- 1.4** With regard to the above generic references, for the purpose of these regulations the following specific titles apply to Wyre Borough Council:
- (a) "Executive" – Cabinet;
 - (b) "overview and scrutiny Members" – Members of the Overview and Scrutiny Committee;
 - (c) "Head of Paid Service" – Chief Executive;
 - (d) "Monitoring Officer" – Legal Services Manager (Monitoring Officer) or Human Resources Manager (Deputy Monitoring Officer);
 - (e) "Finance Director" – Corporate Director Resources (S151 Officer) or their nominated deputy acting in that capacity;
 - (f) "Chief Officers" – Chief Executive, Corporate Directors and Heads of Service.
 - (g) "Corporate Property Officer" – Head of Assets and Development
 - (h) "Head of Internal Audit" – Audit and Risk Manager.
- 1.5** All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and demonstrates value for money.
- 1.6** The Finance Director is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Audit and Standards Committee for approval. The Finance Director is also responsible for reporting, where appropriate, breaches of the financial regulations to the Audit Committee and/or to the Executive Members.

- 1.7** The authority's detailed financial procedures, setting out how the regulations will be implemented, are published on the Hub, and will be updated by the Finance Director as necessary.
- 1.8** Chief Officers are responsible for ensuring that all staff in their service units are aware of the existence and content of the authority's financial regulations and other regulatory documents and that they comply with them.
- 1.9** The Finance Director is responsible for issuing advice and guidance to underpin the financial regulations that Members, officers and others acting on behalf of the authority are required to follow. Such advice and guidance will have the same force as these regulations.

Key Responsibilities of Chief Officers

- 2.1** Throughout this document the key responsibilities of individual Chief Officers are identified. The following lists key responsibilities which give a broad outline of the nature of the control framework and the accountabilities of Chief Officers within it.
- 2.2** It is the responsibility of Chief Officers to consult with the Finance Director and seek approval on any matter liable to materially affect the authority's finances, before any commitments are incurred.
- 2.3** To promote the financial management standards set by the Finance Director in their service areas and to monitor adherence to the standards and practices, liaising as necessary with the Finance Director.
- 2.4** To promote sound financial practices in relation to the standards, performance and development of staff in their service areas.
- 2.5** To adhere to the accounting policies and guidelines approved by the Finance Director.
- 2.6** To comply with accounting guidance provided by the Finance Director and to supply the Finance Director with information when required.
- 2.7** To maintain budgetary control within their departments, in adherence with the principles outlined in Appendix B, and to ensure that all income and expenditure are properly recorded and accounted for.
- 2.8** To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- 2.9** To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.
- 2.10** To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.
- 2.11** To ensure that resources are used only for the purposes for which they were intended.
- 2.12** To notify the Finance Director immediately of any loss, liability or damage that may lead to a claim against the authority, together with any information or explanation required by the Finance Director or the authority's insurers.
- 2.13** To ensure that there are regular reviews of risk within their service units.
- 2.14** To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

- 2.15** To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Full Council, following consultation with the Finance Director and the legal Services Team. The only exception to this rule is where a Parish or Town Council, request a short-term loan (not exceeding 12 months) for a value of £50,000 or less. Any agreement needs to be in consultation with the Finance Director and the Legal Services Manager.
- 2.16** To consult with the Finance Director before changing any existing system or introducing new systems.
- 2.17** To ensure appointments are made in accordance with the regulations of the authority and approved establishments, grades and scales of pay and that adequate budget provision is available.
- 2.18** To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Finance Director.
- 2.19** To ensure that the approval of the Executive is obtained before any negotiations are concluded to work for third parties.