

Revision of Financial Regulations of Mid Devon District Council

Portfolio Holder Cllr Neal Davey
Responsible Officer Head of Finance

Reason for Report: This report seeks member acceptance of the recently revised Financial Regulations of the Authority following a substantial review.

RECOMMENDATION: That the Audit Committee recommend to full Council that it adopts the revised Financial Regulations.

Relationship to Corporate Plan: The Authority has a duty to take all necessary steps to mitigate fraud and corruption and to safeguard the assets of the Authority.

Financial Implications: The efficient, controlled operation of systems, by accountable persons, is important for the demonstration of value for money and sound financial management.

Legal Implications: Any disciplinary proceedings are underpinned by the framework established by the Financial Rules.

Risk Assessment: Risks of not reviewing the Financial Rules could lead to inefficient processes, possible fraud or corruption and an impaired value for money assessment.

1.0 Introduction

- 1.1 The Financial Regulations are a key document that, together with others such as the Constitution, lay down the responsibilities of employees, members, and committees, their level of financial approval, and the due process and documentation that must be followed by all. Effectively they provide the foundation for sound financial management and support the s151 officer in safeguarding the Council's assets.
- 1.2 The rules have not been reviewed for a number of years and whilst the same principles remain, systems and processes continually evolve. The regulations need to reflect our current working arrangements.
- 1.3 We want to produce a concise document, which above all is a practical guide, to be used by officers and members alike and one in which items can be found quickly. For example, who needs to do what, when, or within what timescale, who authorises the event and what record(s) are kept.

2.0 Progress to date

- 2.1 Initially a skeleton or framework of the proposed document was drawn up after looking at other published Financial Regulations. This was amended a number of times until a logical configuration was derived. Our own existing rules were then dropped into this model as the starting point.

2.2 Officers with specialist knowledge and experience have been examining each aspect of the Financial Regulations to establish whether what we currently have are fit for purpose. Where this is the case no changes will be made. Internal audit, the Monitoring Officer, s151 Officer and Amy Tregellas and all Management Team officers have been consulted during their development with amendments being fed back to the document where necessary.

3.0 Thresholds and Limits

3.1 It is proposed to have a schedule of limits appropriate to the level of responsibility of an officer so that these can be quickly updated in the future. Cabinet and the Audit Committee could then approve the uplifting of the one schedule by inflation for example without having to cite every page reference to a limit in the financial regulations.

4.0 Financial Forms

4.1 During the review we have also produced a number of financial forms to help users and provide a clear audit trail, if challenged by officers, members, or internal or external auditors. These forms will be cross referenced and hyperlinked on Sharepoint to allow end users to print these off or electronically complete as necessary.

5.0 Links to other Governance Documents

5.1 Sharepoint currently has many other documents and policies relating to governance. A section at the end of the Financial Regulations will cross reference to these other references to aid end users.

6.0 Sharepoint Publication

6.1 It is envisaged that the final document will be published on Sharepoint with links to aid end users. The revised Financial Regulations aim to be a one stop shop to provide staff with all of the guidance and forms needed for them to do their job efficiently.

7.0 Continuous Review and Conclusion

7.1 Once this document has been formally accepted, it will still be subject to continuous review to ensure it continues to be fit for service e.g. If we were to engage in more shared services or looked at delivering services by different means then further revisions would be likely. A version history is cited at the beginning of the document, which will be updated with revisions as they occur.

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Circulation of the Report: Cllr Neal Davey, Management Team

MID DEVON DISTRICT COUNCIL

FINANCIAL REGULATIONS

Chief Officer: s151 Officer

Revision History

Version	Date	Main Amendment
1.0	Mar 2013	First Release

MDDC Financial Regulations

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1.0 GENERAL INTRODUCTION

- 1.0 Introduction and overview**
- 1.1 Status of Financial Regulations**
- 1.2 Financial roles and responsibilities**
- 1.3 Awareness of existence and content of Financial Regulations**
- 1.4 Reviewing and changing Financial Regulations**
- 1.5 Compliance**

1.1 Status of Financial Regulations

- 1.1.1** The Financial Regulations provide the framework for managing the authority's financial affairs and contribute to good corporate governance, internal control and the management of risks. In addition they assist sound administration, reduce the risk of irregularities and support delivery of effective, efficient and economical services. Article 14 of The Constitution provides for their authority.
- 1.1.2** The Financial Regulations, which include Contract Procedure Rules and financial aspects of the Constitution, are formally adopted by the Council and provide the framework for the financial administration of the Council. The framework is designed to promote sound and proper financial management of the Council's financial affairs, meet Best Value principles and to safeguard the interests of the Council, its employees, or any person acting on behalf of the Council.
- 1.1.2** The Financial Regulations apply to all officers and members of the Council and anyone acting on behalf of the Council. They also apply to any partnerships that the Council is a member of and for which the Council is the accountable body. Where the Council is not the accountable body then the lead Council officer is responsible for ensuring propriety and proper processes are followed so that the Council's reputation is not at risk.
- 1.1.3** All elected Members, employees of the Council and persons acting on behalf of the Council are responsible for ensuring that they use the Council's resources and assets in a responsible and lawful manner. The Council is under a statutory obligation to secure Best Value and everyone should strive to achieve the principles of Best Value and avoid any legal challenge to the Council.
- 1.1.4** These Financial Regulations cover all areas of Council activity and to assist members and officers, the Financial Regulations are set out in self-contained sections. All pages are dated and any financial values are summarised in **Appendix A** to allow ease of update.
- 1.1.6** All financial decisions and decisions with financial implications must have regard to proper financial propriety. Where there is any doubt as to the appropriateness of a financial proposal or correctness of a financial action, clarification must be sought from the Head of Finance in **advance** of any decision or action.
- 1.1.7** To help you understand the terminology used in Financial Regulations, a Glossary of Terms is located after chapter 18

1.2 Financial Roles and Responsibilities

1.2.1 Chief Executive

The Chief Executive, as the Head of Paid Service, is responsible for the corporate and overall strategic management of the Council as a whole. He/she must report to, and provide

information for, the Cabinet, the Full Council, the Scrutiny Committee and other committees. He/she is responsible for establishing a framework for management direction, style and standards, and for monitoring the performance of the organisation.

1.2.2 Head of Finance (s151 Officer)

These Regulations (in conjunction with the remainder of the Council's Constitution) identify the financial responsibilities of Council, Cabinet, Scrutiny Committee and Audit Committee Members, the Head of Paid Service, the Monitoring Officer, the Head of Finance and other Service managers. The functions of the Head of Finance are detailed in the Constitution at section 12.04.

Section 151 of the 1972 Local Government Act requires that every local authority shall make arrangements for the proper administration of its financial affairs. Every authority shall make one officer responsible for the administration of those affairs. Within Mid Devon District Council (MDDC) this role has been assigned to the Head of Finance. The Financial Regulations assist the Head of Finance in discharging his duties under the 1972 Act and the Accounts and Audit Regulations 1996.

The Head of Finance is responsible for issuing advice and guidance to underpin the Regulations that members, officers and others acting on behalf of the authority are required to follow.

His/her responsibilities include:

- (a) To report to Council Members or the Cabinet, in consultation with the Monitoring Officer and Chief Executive, if there is likely to be unlawful expenditure or an unbalanced budget (Section 114, Local Government Finance Act 1988, as amended).
- (b) To advise Members or relevant Officers, in consultation with the Monitoring Officer, about particular decisions where those decisions are likely to be contrary to the agreed policy framework or budget (Local Government Act 2000).
- (c) To ensure the adequacies of accounting records and supporting information, control systems and the statement of accounts (Accounts and Audit Regulations 1996: 2003).
- (d) To maintain an adequate and effective system of internal audit (Accounts and Audit Regulations 1996: 2003).
- (e) To report to the Council, at the time the budget is considered and the Council Tax set, on the robustness of the budget estimates and the adequacy of financial reserves (Section 25, Local Government Act 2003).
- (f) To report to the Council where, in relation to the previous financial year, it appears that a controlled reserve is or is likely to be inadequate (Section 27, Local Government Act 2003).
- (g) To set affordable borrowing limits and to arrange the Council's affairs to remain within those limits (Section 3, Local Government Act 2003).
- (h) To prepare threeyear capital and revenue forecast plans with their consequential impact on Council Tax, taking account of affordability in both the short and long term. (The medium term financial plan).

- (i) To keep the Council's finances under review during the year and to take action if there is evidence that financial pressures will result in budget overspend or if there is a shortfall in income (Section 28 Local Government Act 2003).
- (j) Maintaining strong financial management underpinned by effective financial controls.
- (k) Contributing to corporate management and leadership by the provision of financial advice for service delivery, strategic planning and policy making across the authority.
- (l) Supporting and advising Members on financial matters and decisions..
- (m) Supporting and advising Officers in their operational role on financial matters and decisions.
- (n) To produce Financial Regulations for adoption by the Council
- (o) To advise Heads of Services of any amendments to Financial Regulations
- (p) To either act as or appoint a Money Laundering Officer in compliance with the Money Laundering Regulations, 2003.
- (q) To produce a robust Financial Plan, in consultation with all Heads of Services, to achieve efficiency targets set by the Council and facilitate their delivery.
- (r) To provide advice on the optimum use of available resources in the management of capital and revenue budgets;
- (s) To provide financial management information in a timely manner;
- (t) The preparation of statutory and other accounts, associated grant claims and supporting records;
- (u) The provision of effective financial management systems and procedures
- (v) The provision of effective income collection and payments systems;
- (w) To advise on treasury, investment and cash-flow management;

To ensure that the Head of Finance is able to fulfil the responsibilities identified, the post holder shall:

- (x) Be able to contribute to papers for corporate management meetings in advance and have access to decisions made.
- (y) Have the right to attend meetings of corporate management where financial issues are being considered.
- (z) Have unrestricted access to the Chief Executive, the Monitoring Officer, Heads of Service and to Members whenever they consider it appropriate to do so.
- (aa) Have unrestricted access to external organisations where the Council acts either as Accountable Body or enjoys an external relationship with a Specific Entity.
- (bb) Have the right to report to Full Council, the Cabinet and the Scrutiny Committee whenever they consider it appropriate to do so.

- (cc) Have unrestricted access to the Council's Internal Audit, to external auditors and to other inspectorates.

1.2.3 Heads of Service

Heads of Service duties include:

- (a) Consulting with the Head of Finance, or his/her Departmental Representative, on any matter, including submission of plans and/or bids for external funding or potential costs identified through external financial relationships, that is likely to have a financial impact on the capital programme or revenue budget, prior to committing the Council to that impact.
- (b) Managing the financial activities of their Departments, within the agreed budgets and procedures determined by the Head of Finance. Heads of Service must therefore ensure that: Departmental financial arrangements are adequate and effective in order to comply with these Financial Regulations
- (c) Departmental measures are taken to confirm the legality of all financial activities.
- (d) Implementing financial administration and accounting procedures determined by the Head of Finance and adopting detailed financial records as agreed with the Head of Finance.
- (e) Ensuring the operational use of the Council's main financial systems, except in exceptional circumstances, are agreed with the Head of Finance prior to use.
- (f) Providing departmental support in the keeping and closing of the Council's accounts, in particular that background documentation is available, which meets the standards set by the Head of Finance in liaison with the Council's external auditors.
- (g) Obtaining the approval of the Head of Finance, or his/her Departmental Representative, prior to introducing or significantly changing financial administration/accounting procedures or associated financial records.
- (h) Ensuring that the Head of Finance and/or his/her Departmental Representative are provided with all necessary data to allow the timely submission of grant claims, financial returns or publication of financial information.
- (i) Security and confidentiality of financial information within their Department, including adherence to guidance issued relating to data protection legislation.
- (j) Where staff have financial responsibilities to ensure wherever possible that separation of duties exist.
- (k) Acting to implement the recommendations of reports issued by the external and internal auditors in consultation with the Head of Finance and their Departmental Representative and the appropriate Service Cabinet Member where relevant.
- (i) Heads of Service may vest their responsibilities to other Officers provided that such authorisation is given in writing. Heads of Service must ensure that they always retain accountability for their responsibilities.

1.2.4 Service Managers

Service managers duties include:

- (a) To plan and agree budget and corresponding service provision with Heads of Service on an annual basis.
- (b) To ensure that financial objectives within area of responsibility are achieved and Best Value secured.
- (c) Report adverse variances to budget and to agree remedial actions with Heads of Service.
- (d) Vire between cost centres/budgets in areas of responsibility, subject to Financial Regulations (See Chapter 4)
- (e) Managers are responsible for ensuring adequate records, financial and otherwise, have been maintained for all externally funded schemes subject to audit by the European Commission or grant awarding bodies.

1.2.5 Personal Responsibility

All Members and Officers have a general responsibility for taking reasonable action to provide for the security of the Council's assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves Best Value.

All employees shall inform their line manager immediately about any matter that involves or is thought to involve irregularities concerning cash, stores, income, expenditure, assets (including data held by the Council) or any suspected irregularity concerning the exercise of the functions of the Council. Line managers should consult with their Heads of Service without delay.

As an alternative to the Financial Regulation above, employees may raise concerns under the Whistle-Blowing Procedures confidentially.

1.2.6 Emergency Action

In the event of an emergency, the Chief Executive or Heads of Service are empowered to authorise all necessary actions. The Chief Executive or the Heads of Service shall notify the Head of Finance, in writing, of the circumstances and estimated financial impact and report formally to Cabinet subsequently.

1.2.7 Powers of Delegation

The powers of delegation in respect of the Head of Finance are detailed in the Constitution at section 3.4, page 65. Service managers are required to 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 responsible Service managers or other designated officers, references to the Service Manager in the Regulations should be read as referring to them.

1.2.8 Money Laundering Reporting Officer

The Audit Team Leader is appointed as the Money Laundering Reporting Officer. He or she is responsible for notifying Serious Organised Crime Unit (SOCA) of any suspected cases of money laundering committed within the Council as soon as possible and fulfil other duties as defined by legislation or regulations.

1.3 Awareness of Existence and Content of Financial Regulations

1.3.1 Service managers are responsible for ensuring that all of their staff are fully aware of the existence and content of the Regulations and other internal regulatory documents (such as Human Resource and ICT policies and procedures) and that they comply with them.

1.3.2 Any non-compliance with the Regulations must be reported to the Head of Finance and the Head of Communities and Governance immediately.

1.4 Reviewing and Changing Financial Regulations

1.4.1 The Head of Finance is responsible for maintaining a continuous review of these Regulations and submitting any additions or changes necessary to the Council for approval. The Head of Finance is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council via the Audit Committee.

1.5 Compliance

1.5.1 A failure to comply with these Financial Regulations, or procedures issued under them may constitute misconduct in the case of Officers, or a breach of the Members Code for Members. Reported breaches will be investigated by Internal Audit in the first instance and could lead to disciplinary action. The Head of Finance is to be advised immediately.

1.5.2 If you have any queries, comments or concerns on the content of the Regulations, please contact either the Head of Finance or the Head of Communities and Governance.

2.0 SYSTEMS AND INTERNAL CONTROL

- 2.1 Accounting records**
- 2.2 Controlled stationery**
- 2.3 Officer authorisation procedures**
- 2.4 Security of cash, tills, safes and keys**
- 2.5 Document retention**
- 2.6 Segregation of duties**
- 2.7 Business continuity**
- 2.8 New electronic systems**

2.0 Systems and Internal Control Procedures

Why are these important?

Maintaining proper accounting records is the way in which the Council evidences its responsibility for the stewardship of public resources.

The Council has a statutory responsibility to “present fairly” the financial consequences of its operations during the year, which are subject to external audit. This audit provides assurance that the accounts have been prepared in accordance with the current Statement of Recommended Practice (SORP) and the Service Reporting Code of Practice for Local Authorities (SeRCOP) and that arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council’s resources.

Risks:

- The Council cannot account for all income received and expenditure made;
- Financial systems provide inaccurate or misleading information leading to poor decision making;
- Insecure accounting or financial systems give rise to opportunities for fraud or loss;
- Statutory timescales for reporting on the Council’s financial affairs are not met.

Regulations:

2.1 Accounting Records

2.1.1 The Head of Finance is responsible for determining the accounting systems and procedures adopted and maintained by the Council. All income, expenditure, assets and liabilities are to be properly accounted for in line with published guidance, with the maintenance of a complete audit trail, either electronic or paper for all entries made.

2.1.2 All financial systems and records of accounting are to be in a form approved by the Head of Finance, who is to be consulted and must approve any changes to accounting records and procedures prior to them being made.

2.1.3 Financial and accounting systems shall incorporate appropriate controls to ensure that, where relevant:

- All data input is genuine, complete, accurate, timely and not duplicated;
- All processing of data is carried out in an accurate, complete and timely manner;
- Output from the system is complete, accurate and timely;
- Segregation of duties wherever possible is built into business processes to reduce the risk of fraud e.g. A single individual can not authorise and make payment to others.;
- All transactions and activities have a clear trail of accountability by authorised, responsible officers;

- Appropriate authorisation levels are set for all staff dependent upon their level of responsibility;
- Records and data are securely retained and in accordance with data protection guidance.

The Council's transactions, material commitments and contracts and other essential accounting information must be recorded completely, accurately and on a timely basis.

2.2 Controlled Stationery

Why is this important?

Controlled stationery by its very nature has an inherent value. Examples of such stationery are official receipt books, cheque books and cheque stationery. If such stationery is lost or stolen income due to the Council may never reach it or money may be paid out to fraudulent payees.

Risks:

- Stationery could be lost or stolen leading to financial, possibly considerable, loss to the Council;
- Income based services could be put at risk if monies collected are being diverted into fraudsters hands.

Regulations:

2.2.1 The Head of Finance shall be responsible for controlling financial stationery.

2.2.2 The design and use of all financial stationery shall be subject to the approval of the Head of Finance.

2.2.3 The Head of Finance shall nominate officers responsible for the order, secure storage and issue of financial stationery.

2.2.4 Proper arrangements are to be made for the security of financial stationery held. No stationery is to be left in circumstances, which could lead to unauthorised use.

2.2.5 An adequate, but not excessive stock of financial stationery will be held.. Proper and secure arrangements are to be made for the destruction of any out of date stationery.

2.2.6 A record of all cheques issued, either electronic or manual is to be made.

2.3 Officer Authorisation Procedures

Why is this important?

Officers can have considerable financial power that needs to be controlled through effective delegation, with clearly defined limits of their delegated authority. Many transactions are now electronically approved and formal paper based lists of authorised signatories are now impractical.

Examples of related areas:

Official orders
Sales invoices
forms
Cheque signatories
Electronic funds transfers
Valuation certificates and fee accounts

Expense claim forms
Travel and subsistence claim

Wages/timesheets
Overtime claims

Risks:

- Officers could exceed their authority;
- Fraud, loss, extravagance or waste could arise

Regulations:

2.3.1 Procedures are to be put in place to ensure appropriate officers authorise transactions up to agreed levels. Specific guidance will be cited in relevant sections of the Financial Regulations and HR policies.

2.4 Security of Cash, Tills, Safes and Keys

Why is this important?

Money collected by the Council is extremely vulnerable until it is banked. Up to that point it is the Council's responsibility to ensure the safe storage and transit of cash. The security of cash, tills, keys and safes is, therefore, essential if the Council is to fulfil its duty.

Risks:

- Cash could be lost or stolen;
- Suspicion in respect of stolen cash may rest with a number of staff if they all had access keys;
- Claims against the Council's insurers may be invalidated.

Regulations:

2.4.1 Employees of the Council responsible for collecting, holding and the paying in of cash receipts must ensure that it is held under secure arrangements at all times. All cash holdings are to be kept to a minimum and within agreed insurance levels.

2.4.2 Members of staff who are authorised to gain access to any Council safe or till are responsible for the security of the keys at all times..

2.4.3 The combination of any Council safe must not be disclosed to another person without the express authorisation of the relevant Service manager. The combination of a safe must be changed immediately when a member of staff, who is authorised to open that safe, leaves the services of the Council.

2.4.4 All keys held for any official purpose by an authorised member of staff must be held under proper and secure arrangements and not passed or be available to any unauthorised person. The loss or theft of keys is to be reported to the Head of Finance immediately.

2.4.5 All staff are to ensure that all windows, safes and drawers are locked in any location wherever cash or keys are held out of hours.

2.4.6 Where a till discrepancy is in excess of the amount cited in table E, Appendix A, they shall be referred to Internal Audit.

2.5 Document Retention

Why is this important?

Although the archiving of documents may cause operational difficulties for management, it is vital that these are retained for as long as necessary, and in an adequate environment, to satisfy legal and all other practical requirements. In particular, prime records used within the Council's financial and key non-financial systems must be given due protection to maintain an adequate trail from source right through to completion of transactions.

Risks:

- Statutory obligations concerning the retention of key documents are not met, e.g. H M Revenue and Customs requirements and penalties may arise;
- The Council may be disadvantaged in taking or defending legal action if prime documents are not retained;
- Performance statistics cannot be verified;
- The external auditor may not be able to verify the Council's final accounts and grants may be lost.

Regulations:

2.5.1 Financial records, whether electronic or paper, must be retained for a minimum period of seven years.. The Head of ICT will provide guidance to Service managers on the retention of documents which is available on Sharepoint.

2.6 Segregation of Duties

2.6.1 Wherever possible the following principles should be complied with when allocating accounting duties:

- (a) The duties of providing information about sums due to, or from, the Council and calculating, checking and recording these sums must be separate from the duty of collecting or dispersing them.
- (b) Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

2.7 Business Continuity

2.7.1 The Head of Finance is to ensure that accounting and financial records are held securely and procedures are in place to enable accounting records to be reconstituted in the event of a systems failure. Working with the Heads of Service responsible for Business Continuity and ICT a documented and tested business continuity plan to allow information processing to resume quickly in the event of an interruption shall be in place.

2.8 New Electronic Systems

2.8.1 The acquisition or renewal of all accounting software must be subject to the approval of the Head of Finance and Head of ICT. The purchasing or leasing of computer and ancillary equipment is only to be undertaken in accordance with the ICT Strategy.

2.8.2 All new financial systems shall be documented, tested in parallel and users trained in their operation, prior to the system being used in a live environment.

3.0 FINANCIAL PLANNING

- 3.1 Overall strategic policy framework**
- 3.2 Service performance plans for financial years**
- 3.3 Asset and vehicle management**
- 3.4 Year end balances - earmarked reserves**
- 3.5 Maintenance of reserves**
- 3.6 Ring fencing of reserves**
- 3.7 Medium term financial planning**
- 3.8 Reports with financial implications**

3.1 Overall Strategic Policy Framework

3.1.1 The strategic plans of the Council are embraced by three key documents:

- the Corporate Plan;
- the Medium Term Financial Plan;
- and the Workforce Plan.

The Corporate Plan sets out the Council's key service priorities as agreed by Members. Policy Development Groups propose policies to the Cabinet in accordance with these priorities. The Medium Term Financial Plan looks forward to the next five years and examines the forecasted income and expenditure for both revenue and capital linked to the corporate plan's priorities. (See 3.7 below). Finally, the Workforce Plan looks at the staff deployment and employment strategies linked to the Corporate Plan. Constraints imposed by our financial resources often limit what the Council can achieve, within a given time frame, for both revenue and capital.

3.2 Service Performance Plans for Financial Years

3.2.1 Heads of Service working with their Cabinet Members are required to produce service plans detailing service provision and level of performance linked to their budget for each financial year. Initial draft service plans should be created and available in July of each year to assist in the budget setting process.

3.2.2 These plans should be discussed by the Policy Development Groups when budgets are reviewed and amended accordingly. New government initiatives and other legislative requirements will need to be brought in, also any possible savings identified to help facilitate an overall balanced budget. The service plans will therefore evolve over the budget setting period.

3.2.3 The final service plans, with agreed budgets and salary estimates, are to be presented to Management Team for approval before the commencement of the financial year, April 1, for each service.

3.3 Asset and Vehicle Management

3.3.1 Heads of Service and Service Managers need to consider the equipment and assets used in the provision of their service in relation to their service performance plans. It is vital that we can demonstrate value for money in our decision making. Assets used by services will have finite lives and provision in their service revenue budgets needs to be made to facilitate the asset's replacement at the end of its useful life.

3.3.2 Where an item of equipment is needed for a service due consideration should be given to:

- the frequency of use by staff;
- the priority of future service provision;
- the asset's expected life;
- the cost of ongoing maintenance and other running costs of the asset;
- the cost to purchase the asset;

- the cost and conditions relating to leasing the asset;
- and the expected residual value of the asset at the end of its useful life.

These factors should then lead to a best value decision as to whether the Council:

- purchases the asset;
- procures the asset by way of a finance lease;
- hires the asset for short periods , as and when required;
- or enters into an agreement with another organisation for its use.

3.3.3 In all cases Managers should be able to demonstrate value for money and consideration of these factors if challenged on their decision - the current practise should not be mechanically followed year on year.

3.3.4 The current limit for capitalisation of assets is shown in Appendix A. Assets whose values exceed the threshold shown in Appendix A will be capitalised and recorded in the fixed asset register maintained by the Head of Finance.

3.3.5 Where acquisitions of capital assets are expected in future periods, these should be planned for and be incorporated into the Medium Term Financial Plan. Although the expenditure is treated as capital in the accounts, Service Managers should make an annual revenue contribution each year towards that asset's replacement.. This will help to control demands on the capital programme and ensure ongoing provision for replacement.

e.g. An asset costs £100k today with an expected life of 5 years. The expected replacement cost in five years is £120k. The service should budget for an annual charge of $\frac{£120k}{5} = £24k$ each year to be made into a specific earmarked reserve carried forward to year six so that in year 6 £120k is available to acquire the replacement asset.

Clearly service managers will need to consider their asset provisions made to date annually and if a shortfall is envisaged for replacement, additional provision in future budget(s) will need to be made.

3.3.6 Even if an asset is below the current capitalisation threshold in value, if its cyclical replacement is not budgeted for there can be large spikes in financial years when new assets are purchased e.g. there could be a year where large amounts of equipment are to be replaced whose individual values are low. Service managers should therefore consider their future needs and create an earmarked reserve to provide for this eventuality also.

3.3.7 In the case of our vehicle fleet, where non specialist vehicles such as vans can be moved between services an overall strategy for vehicles needs to be made, by the Head of Service responsible for transport management .

3.4 Year End Balances - Earmarked Reserves

Why is this important?

The Regulations below cover arrangements for the transfer of resources between accounting years i.e. earmarked reserves.

Risk:

- Balances are not carried forward correctly

Regulations:

3.4.1 The Head of Finance is to administer the scheme of earmarked reserves within the guidelines approved by the Council.

3.4.2 Net underspends on service estimates may be carried forward, subject to:

- a) The detailed constraints and completion of a request form [FIN751](#) as specified by the Head of Finance.
- b) Detailing the sources of underspends or additional income and the specific application of those resources for approval by Head of Finance.

3.4.3 The Head of Finance is to report all underspends on service estimates carried forward to the Cabinet.

3.4.4 Where capital projects are part complete their unused budget shall be rolled forward automatically to future year(s) to ensure their completion, without the need for a completed form FIN 751.

3.5 Maintenance of Reserves

Why is this important?

The Cabinet must decide the level of General Fund and Housing Revenue Account reserves that it wishes to maintain before it can decide the level of council tax or council house rents. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending should such events occur. Reserves for specific purposes may also be maintained.

Risks:

- The Council may be unable to meet its financial commitments or any unforeseen costs that may arise during the year;
- The Council fails to comply with standard CIPFA codes of practice on local authority accounting.

Regulations:

3.5.1 The Head of Finance shall advise the Cabinet and Full Council on prudent levels of reserves for the Council and take into account the advice of the external auditors and generally accepted practice.

3.5.2 The Head of Finance will comply with accepted standard codes of practice in respect of the maintenance of reserves.

3.6 Ring Fencing of Reserves

3.6.1 Service managers shall only use specific reserves for the purposes for which they were intended.

3.6.2 The Housing Revenue Account and General Fund are ring fenced and legislation provides that neither can be used to subsidise, or help finance the other. All transactions between the two are required to be at arm's length, fair and equitable to both funds.

3.6.3 Unless funded by a revenue contribution to capital, all capital monies must be expended on capital expenditure. Revenue monies may be used for either revenue expenditure or a revenue contribution to capital.

3.7 Medium Term Financial Planning

Why is this important?

Without planning for the short/medium/longer term future budget shortfalls could occur impairing the delivery of corporate goals and creating a reactive rather than proactive management style. Future expected trends and the financial "headroom" can be identified and fed into the Corporate Plan. Potential risks are also highlighted.

Regulations:

3.7.1 The Head of Finance will produce and update a Medium Term Financial Plan for the Council covering an advanced period of three years. This is to be presented annually to management team and the Cabinet for approval prior to budgets for the following year having been set.

3.7.2 Heads of Service and service managers have a duty to inform the Head of Finance of major changes (Amounts in excess of £20K) to their service in future periods .

3.7.3 The Medium Term Financial Plan shall consider the following factors over the life of the plan:

- the Government's current spending review proposals;
- the likely level of Council Tax rises;
- the Corporate Plan goals;
- new service initiatives;
- service savings;
- income from fees and charges;
- the effects of inflation;
- future legislative changes including taxation;
- the demands of a proposed capital programme;
- treasury management considerations;

- any other factors whose impact could exceed £20?k.

Its scope shall embrace the General Fund, the future capital programme, the Housing Revenue Account, future treasury management, and identify the expected level of reserves and any shortfalls.

3.7.5 The plan must state what is known, estimated and assumed in producing the plan. Sensitivity analysis should be employed to give the reader an idea of a 1% variation - some factors could have a seriously detrimental effect on budgets or reserves whereas other factors might be far less influential.

3.7.6 In making strategic decisions, amending the Corporate Plan, and approving future budgets, Management Team and the Cabinet shall have regard to the Medium Term Financial Plan and its implications.

3.8 Reports with Financial Implications

Why is this important?

Without understanding the financial impact of any proposal a poor decision could be made, exposing the Council to risks, possibly leading to an overspent budget. Significant resources could also be diverted from key corporate goals.

Regulations:

3.8.1 All reports to members of Policy Development Groups, Scrutiny and the Cabinet shall be reviewed by the Head of Finance to quantify as accurately as possible the financial effects and risks of any proposals **before** details are published and to ensure that reports published are fit for purpose.

4.0 BUDGETARY CONTROL

- 4.1 Resource allocation**
- 4.2 Budget preparation**
- 4.3 Budget approval**
- 4.4 Responsibility for budgets**
- 4.5 Budget monitoring**
- 4.6 Budget changes (Virements)**

4.0 Budgetary Control and Monitoring

Why is this important?

Budget management ensures that once Council has approved the budget, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls managers responsible to account for defined elements of the budget.

By monitoring the budget on a regular basis, variances against budgetary targets can be identified along with changes in trends and resource requirements at the earliest opportunity.

The scheme of budgetary virements is intended to enable the Council, service managers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore optimise the use of resources.

Risks:

- There may be inefficient use of public money and a failure to comply with the Council's objectives;
- Budgets could become overspent with nobody being held accountable for them;
- Systems could fail with nobody being made aware that they have;
- The Council could face prosecution and/or a qualified external audit report for failing to comply with legislation and accepted standards.

4.1 Resource Allocation

The Chief Executive and Head of Finance are together responsible for developing and maintaining a resource allocation process that ensures that both capital and revenue expenditure plans take account of the Council's policy framework and changing priorities. It is the responsibility of Heads of Service to ensure that the revenue and capital budget estimates reflect agreed service plans and are in line with the Medium Term Financial Plan and the Corporate Plan.

4.2 Budget Preparation

4.2.1 The Head of Finance, in consultation with Management Team, shall prepare a budget timetable to ensure that the draft budget is finalised for approval by the Cabinet and Full Council within statutory timetables.

4.2.2 The Budget will be prepared in consultation with the relevant service manager or his/her nominated representative. In assisting the Head of Finance to prepare their budgets, due regard shall be given to:

- a. Spending patterns and pressures revealed through the budget monitoring process;
- b. the prior year's actual outturn;
- c. legal requirements;
- d. the Corporate Plan;
- e. the Workforce Plan;
- f. initiatives already commenced;
- g. and the future introduction of new central and regional government initiatives.

4.2.3 The Head of Finance will encourage the best use of resources and value for money by working with service managers to identify opportunities to improve economy, efficiency and effectiveness.

4.2.4 The Authority is legally obliged to set a balanced budget.

4.3 Budget Approval

4.3.1 The Head of Finance, as Section 151 Officer, is responsible for ensuring that General Fund , Housing Revenue Account and capital budgets are prepared on an annual basis for consideration by Full Council, and in accordance with professional and statutory requirements.

4.3.2 Full Council may amend the budget or ask the Cabinet to reconsider it before approving it.

4.3.3 After the budget has been approved by Council there will be no increase in the overall budget, unless sanctioned by the Cabinet. Expenditure is to be committed only against an approved budget head, unless approved virements have been made. (See section 4.6 below)

4.3.4 The Head of Finance will produce an annual summary Budget Book..

4.4 Responsibility for Budgets

4.4.1 Heads of Service are responsible for the budgets relating to their service areas and are required to sign approving their service plans and acknowledging accountability for their budgets annually..

4.4.2 If the Head of Service wishes to delegate responsibility for the budget to their service manager(s) then evidence of the onward delegation needs to be documented and the service manager will need to sign to accept the delegated budgetary responsibility. Inclusion of such accountability within the signed Job Description of the Service manager shall be regarded as sufficient documentary evidence.

4.4.3 It is the responsibility of Heads of Service to control income and expenditure within their area and to monitor performance. Heads of Service must ensure that there is a clear allocation of responsibility for revenue budget at cost centre level and capital schemes within their areas. Budget responsibility should be aligned as closely as possible to the decision making that commits expenditure. Heads of Service should report on variances within their own areas. They must also take any action necessary to avoid exceeding their budget allocation and alert the Head of Finance to any problems. The notification must also include an explanation of any remedial action necessary.

4.4.4 Service managers are to control their budgets, within their service area, utilising resources in the most efficient, effective and economic way and identifying opportunities to minimise or eliminate resource requirement or consumption without a detrimental effect on service delivery, so that the budget is not overspent,,

4.5 Budgetary Control and Monitoring

4.5.1 It is the responsibility of the service manager to control income and expenditure within their service areas and monitor performance. Any variances (both over and under spends) are to be discussed with their Head of Service and accountant.

4.5.2 Service managers should also take any action necessary to avoid exceeding their budget allocation and alert the Head of Finance and Head of Service to any problems, immediately as they arise.

4.5.3 The Head of Finance will present a budget monitoring report to Management Team and the Cabinet, outlining any areas of concern (i.e. identified material overspends and shortfalls in income) along with explanations from service managers as to the actions that are recommended to address the concerns.

4.6 Budget Changes (Virements)

4.6.1 The scheme of virements is administered by the Head of Finance.

4.6.2 The transfer of budgetary provision from one service unit to another is permissible, providing virement conditions are complied with as detailed below.

4.6.3 A budget virement may not be made between the Housing Revenue Account and the General Fund.

4.6.4 Service managers are responsible for initiating the virements procedure. Approval for each virement will require the completion of a virement request form [FIN701](#).

4.6.5 Budgetary virements may be required by changes in accounting practice issued by CIPFA and other regulatory bodies. In such cases virement request form [FIN701](#) will not be required provided the overall budget, before and after, remains the same.

4.6.6 Appendix A shows the thresholds for approval split between those virements within service units and those between service units. Where a virement request has been approved, under no circumstances is income or expenditure to be vired between differing financial years (ultimately amending the overall budget liability).

4.6.7 Approved virement request forms must be processed by the appropriate accountant who will amend the financial ledger accordingly. Approved forms must be retained for audit purposes.

5.0 Procurement and Contracts

- 5.1 Contract procedure regulations**
- 5.2 Employment status - Use of consultants and service companies**
- 5.3 Construction industry scheme**
- 5.4 Receipt of goods**
- 5.5 Authorisation for payment**
- 5.6 Payments**
- 5.7 Contract register**

PROCUREMENT OF WORK, GOODS AND SERVICES

Why is this important?

Public money should be spent with demonstrable probity and in accordance with the Council's policies. Local authorities have a statutory duty to achieve best value, in part through economy and efficiency. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements and reduce the following risks:

Risks:

- Goods or services may be ordered for personal use and later paid for by the Council;
- The incorrect volume, number or quality of goods and services may be received;
- The Council may be committed to spending on goods and services for which no budgetary provision has been determined;
- Officers failing to follow contract and tendering procedures may leave both themselves and the Council open to accusations of favouritism, unfair contract terms and legal challenge
- Goods or services ordered may fail to meet the Council's environmental, health and safety and other strategies and policies.

The procedures which should be followed when considering any spend of Council money are set out in the Contract Procedure Regulations.

5.1 CONTRACT PROCEDURE REGULATIONS

Why do we have Contract Procedure Regulations?

- 5.1.1 The Council is obligated by Section 135 of the Local Government Act 1972, to make Contract Procedure Regulations for the supply of goods or services or for the execution of works.
- 5.1.2 The purpose of Contract Procedure Regulations is to provide a framework within which the Council can get value for money when obtaining supplies of goods, services and works.
- 5.1.3 Officers must comply with these Contract Procedure Regulations, which lay down minimum requirements for procuring goods, services and works. Guidance on the procurement process can be obtained from the Procurement Team. Officers must always seek advice from the Procurement Team in the first instance and from the Council's Legal Services department when in any doubt and in particular for all contracts where European Law applies. If any authorising officer has any questions about the Contract Procedure Regulations, they should contact the Head of Finance.

- 5.1.4 Every contract made by the Council shall comply with these Contract Procedure Regulations.
- 5.1.5 Every Contract made by the Council shall comply with European Directives. In the event of any conflict between the Contract Procedure Regulations and European Directives the European Directive shall prevail.
- 5.1.6 Contract Procedure Regulations must be followed unless the law (in particular, European Procurement Directives, but also UK law) requires something different.

Who do the Contract Procedure Regulations apply to?

- 5.1.7 These Contract Procedure Regulations apply to:
 - a. All contracts made and to all orders placed by, , or on behalf of the Council for the procurement, hire and commissioning of goods, services and works including where the Council is acting on behalf of public bodies;
 - b. All Officers and Members of the Council;
 - c. Any person or organisation engaged to manage a contract or undertake work that involves procurement on behalf of the Council. In each case the requirement to comply with the Contract Procedure Regulations is to be included in the terms of engagement;
 - d. The selection of sub-contractors where these are nominated by the Council under a main contract.

Reviewing and Changing the Contract Procedure Regulations

- 5.1.8 The Head of Finance is responsible for maintaining a continuous review of the Contract Procedure Regulations and submitting any additions or changes necessary to the Council for approval. The Head of Finance is also responsible for reporting, where appropriate, breaches of the Contract Procedure Regulations to the Council via the Cabinet.
- 5.1.9 Any non-compliance with the Contract Procedure Regulations must be reported to the Head of Finance or his representative. Any Officer that breaches the Contract Procedure Regulations may be subject to the Council's disciplinary procedures.
- 5.1.10 Anyone wishing to act outside the provisions of these Contract Procedure Regulations in a specific instance not covered by these Contract Procedure Regulations must seek the prior written approval of the Head of Finance and use the designated [FIN300](#) Waiver Form.
- 5.1.11 All instances of working outside these rules will be reported to the next meeting of the Cabinet, Audit, and Scrutiny Committees.

Compliance with the Contract Procedure Regulations

- 5.1.12 Service managers are responsible for ensuring that all of their staff fully comply with the Contract Procedure Regulations and other internal regulatory documents such as Procurement policies and procedures. The Contract Procedure Regulations is available on a centrally accessible ICT location and hard copies can also be made available.
- 5.1.13 Staff required to use Contract Procedure Regulations as part of their job will be required to confirm that they have read and understood the Contract Procedure Regulations as part of their induction. If further clarification or training is required, this can be provided by the Procurement Team.

Procurement Principles

- 5.1.14 The Council will adopt the following principles relating to the procurement of goods, services and works:-
- Base its procurement requirements on the principles of Best Value to ensure that it achieves efficiency, effectiveness and value for money.
 - Take a long-term strategic view of how it procures its requirements including the potential for alternative methods of service delivery, innovative funding methods and partnership working.
 - Expect that externally sourced requirements will be procured as a result of a competitive process unless there are compelling or practical reasons to the contrary.
 - Ensure that sustainability is an important criterion in any procurement activity and that so far as possible procurement operates in accordance with the Councils Procurement Strategy guidance on Sustainability.
 - Where appropriate develop procurement on a partnering basis in which both the Council and the supplier seek to achieve continuous improvements and maximise mutual benefit through longer term clearly worded contracts. These contracts will be based on measurable outcomes and performance that define the obligations of both parties.
 - Where appropriate seek to work with others and through legitimate consortia in the procurement of its requirements in order to widen the scope of its experience and focus expertise, maximise purchasing power and harness economies of scale.
- 5.1.15 The Council acknowledges that cheapest is not always best and shall award the contract based on either:
- a. Value for money, including price and quality
 - b. The most economically advantageous tender (to the Council)

- 5.1.16 The method of contract evaluation will be included in the quotation specification or the invitation to tender.

Application and Interpretation of Contract Procedure Regulations

Definitions

Definitions with regard to these Contract Procedure Regulations can be found in the Glossary.

Aggregation of Orders

- 5.1.17 It is an offence under the European Directives to disaggregate the value of a contract so as to deliberately avoid the European Directive.

Exemption

- 5.1.18 Exemption from any Contract Procedure Regulations may be authorised by the Head of Service and Head of Finance, provided that:
- The decision maker or authorised officer is satisfied that the exemption is justified by special circumstances; and
 - The exemption is reported in writing to the decision maker specifying the circumstances justifying the exemption.

Compliance to Contract Procedure Regulations and exceptions to Contract Procedure Regulations

- 5.1.19 All contracts shall comply with these Contract Procedure Regulations. No exception shall be made from any of the following otherwise than by direction of the Cabinet or in an emergency by the Chief Executive or in his absence a Head of Service, in consultation with the relevant Cabinet Member, where he is satisfied that there are.
- 5.1.20 The Cabinet shall be informed of the circumstances of every emergency exception made in accordance with these Contract Procedure Regulations and a record of any such exceptions shall be made in the minutes of the Cabinet.

Exceptional cases where Contract Procedure Regulations shall not apply (urgency etc.)

- 5.1.21 Contract Procedure Regulations shall not apply if the Cabinet Member and the Head of Service in consultation with the Leader and Chief Executive is satisfied that:
- (i) The work, goods or materials are urgently required, and loss would be entailed by delay in advertising; or

- (ii) The work, goods or materials required are of such special nature that no advantage would accrue by inviting competitive tenders; or
- (iii) There is no effective competition for the goods or materials required by reason of the fixing of prices under statutory authority or that such goods or materials are patented or proprietary articles or materials.
- (iv) Transactions, which, because of special circumstances, may (either individually or as a class) be excepted from time to time by the Cabinet of the Council.

Transactions effected through public sector purchasing organisations

- 5.1.22 Contract Procedure Regulations shall still apply to transactions effected through well-established public sector and other purchasing and distribution organisations. A full list of these is kept by the Procurement team. The procedure will depend on the nature of the framework agreement;
- 5.1.23 Direct ordering should be used when there is a 'catalogue' of goods or services which can be called off from the agreement in the following way:
 - Develop a clear statement of requirements
 - Establish which suppliers are capable of meeting the statement of requirements
 - Use the standard award criteria (as defined in the framework agreement) to evaluate the goods or services from each of the capable suppliers
 - Award the contract or place the order with the supplier who provides best value for money based on the outcome of the evaluation
- 5.1.24 Further Competition Procedure should be used where the statement of requirements when developed, cannot be met by the standard catalogue of goods or services or if there is no such catalogue. The contract procedure rules will then apply to the further competition process.
- 5.1.25 Advice must be sought from the Procurement Team, prior to purchasing through any purchasing organisation or consortia.

Contracts and Official Orders

5.1.26 The table below provides an overview of the approach to be applied to the different thresholds of spend along with a reference to where the process is explained within these regulations :

Value	Form of Agreement	Methodology	Reference to Regulations
>£1,000	Official Purchase Order	Best endeavours	5.1.29
£1,000 - £50,000	Official Purchase Order	Minimum of 3 Quotations	
£50,000 – EU Threshold	Formal Written Contract & Purchase Order	Tender(advertised locally)	
Over EU Threshold	Formal Written Contract & Purchase Order	Tender(advertised in OJEU)	

5.1.27 Prior to commencing any procurement or raising any order, the Officer must be assured that there is sufficient budget in place for the proposed purchase and establish the expenditure code relating to where the budget is held.

5.1.28 Consideration to both the value of the contract and the risk of exposure to the Council should be made by the relevant Head of service when deciding whether to execute a formal written contract.

Estimated Contract value less than £1,000

5.1.29 In the case of goods, where the Authority purchases a significant number of low value items and the aggregate total spend exceed £1,000 per year, prices must be renegotiated with supplier annually.

5.1.30 In the case of works or services, where the Authority appoints a supplier for a significant number of low value jobs and the aggregate total spend exceeds £1,000 per year, quotations for rates should be obtained in line with the quotation process outlined below. If the total spend exceeds £50,000 per year, a contract should be executed in line with the tender process below.

5.1.31 In the case of a contract whose total does not exceed £1,000, the officer may place a single order without inviting quotations provided they are satisfied that they have used their Best Endeavours to ensure that the most favourable prices and terms are obtained, having regard to the principles of value for money and that the supplier is financially sound and technically competent.

5.1.32 If the contract is related to a service or works provision, appropriate pre-qualification of suppliers must be carried out to ensure that their status in relation to Health and

Safety financial standing, customer care, contract management and provision of insurance is suitable for the level of the contract.

- 5.1.33 Pre-qualification through an industry recognised method such as Constructionline or Exor will be deemed acceptable although the relevant Head of Service may require further checks to be carried out in this regard.
- 5.1.34 In the event that competitive tenders or quotations are sought, these shall be obtained from such number of contractors/suppliers as the relevant Head of Service deems appropriate having regard to the principles of Best Value
- 5.1.35 The officer is required to obtain written evidence of the quotations and the evidence is required to be kept in accordance with the Councils Document Retention guidance.

Estimated Contract value between £1,000 and £50,000

- 5.1.36 Competitive quotations shall be invited unless a Head of Service considers that it is in the best interests of the Council to seek competitive tenders.
- 5.1.37 Where possible quotations should be sought from three contractors. For further details on quotations refer to the section on the quotation process.
- 5.1.38 The officer is required to obtain written evidence of the quotations/tenders and the evidence is required to be kept in accordance with the Councils Document Retention guidance.

Quotation Process

- 5.1.39 Where possible at least three written quotations will be sought.
- 5.1.40 The Service Manager will ensure all appropriate documentation is provided. The [FIN301 Request for Quotation form](#) should be used; however this may be supported by additional supplementary information which will further assist the supplier in providing their quotation. The Service Manager should ensure that such contract documentation shall be approved by Legal Services if required before quotations are requested.
- 5.1.41 The information contained in the request for a quotation will state:-
 - The description or specification of the requirement avoiding the use of proprietary or brand names and using available recognised standards.
 - The quantity required
 - The delivery time and place
 - The basis of the price to be quoted
 - Which conditions or contract or other approved condition will apply to any order
 - The date by which quotations are to be received by the Council this will normally be not less than 5 working days from the date of the request.

- 5.1.45 Suppliers shall be required to address their quotations to the Service manager.
- 5.1.46 Quotations may be requested and received using recommended electronic methods. The retention and administration is dealt with under the document retention policy.
- 5.1.47 Quotations received late will be disallowed. They will be retained unopened until after the quotations properly received have been opened and will be returned to the sender with an explanation. Prior to award the Head of Service in consultation with the Cabinet Member may meet with one or more of the lowest tenderers to finish and quantify the value for money being obtained for the Council.
- 5.1.48 The quotation from the Supplier who has offered the lowest acceptable price taking into consideration the required quality, delivery, cost of use and cost of disposal will normally be accepted provided this is within the estimated total cost.
- 5.1.49 Written acceptance will be notified to the Supplier by the officer from the service dealing with the procurement. They will also be responsible for notifying the Procurement Team in order for them to update their records with details of the Contract and how they have selected the chosen supplier.
- 5.1.50 If the contract is for goods currently maintained or which are going to be maintained on the eProcurement catalogue, a full list of products should be forwarded to procurement on the [FIN302 Product Upload Template](#) to allow them to be added to the catalogue prior to ordering.
- 5.1.51 The relevant Service Manager may accept a quotation other than the lowest where it is in the best interest of the Council and best value is achieved. Such a decision and its reasons shall be recorded and this information submitted to the Procurement Team.
- 5.1.52 An order will be raised on the Councils eProcurement system at the point of awarding the contract.
- 5.1.53 If requested the unsuccessful suppliers can be notified and given reasons without breaching the commercial confidentiality of the other suppliers.

Estimated Contract value over £50,000 but below European thresholds

- 5.1.42 Competitive tenders shall be invited. Where possible tenders shall be invited from four contractors.
- 5.1.43 Where possible there shall be two reserves in the event that any contractor withdraws or is unable to tender.
- 5.1.44 Where it can be demonstrated that there are insufficient suitably qualified contractors to meet the competition requirement set out above all suitably qualified contractors should be invited so far as is practical.

Estimated Contract value exceeds European Thresholds

- 5.1.45 Where the estimated Value of the Contract exceeds the thresholds laid down in the European Directive Appendix A - Table I, EU procurement rules will apply
- 5.1.46 The opportunity will be advertised in the Official Journal of the European Union (OJEU) and all legislative requirements must be met.
- 5.1.47 A full description of the EU procurement rules can be found on the Authorities website.

The Tender Process

- 5.1.55 Before starting a tender process, and with suitable advance notice, the relevant Officer will inform the Procurement Team of the proposed contract details using the [FIN303](#) Tender Initiation Form..
- 5.1.56 Unless the relevant Service manager decides otherwise, all draft contract documents to be sent out with a request for tender shall be approved by Legal Services prior to being sent to any supplier.
- 5.1.57 Consultation will occur between the Procurement Team, Head of Service and where necessary Legal Services, and where relevant agree:
 - i) The roles and responsibilities in respect of:
 - The selection process
 - The tender process
 - The evaluation of the outcomes
 - Post tender negotiations
 - The contract award
 - Contract management
 - ii) A procurement plan that:-
 - Identifies scope for working with others
 - Identifies the use of the best practice contracting and procurement methods including partnerships and partnering
 - Reflects any additional requirements and choice of procedure for a contract that exceeds the EU procurement thresholds.
 - Identifies the use of European standards where these are available.
 - Details timescales and major events
 - Identifies and allocates responsibilities.
 - iii) The selection criteria for suppliers to be invited to tender are based on commercial consideration and include:
 - Financial viability and capacity
 - Operational capacity
 - Technical competence and capacity

- Relevant environmental issues
- The council's policies
- Legislative compliance
- Health and Safety

iv) The evaluation and award criteria for the contract to achieve Value for Money or MEAT taking into account such aspects as:

- Proposed methods and approach
- Total costs to the Council over the life of the contract including disposal costs
- Quality
- Delivery
- Sustainability
- Risk including the suppliers insurance details
- Health and Safety

5.1.58 In the case of contract values in excess of £250,000, and any contracts in respect of which the relevant Service Manager may so direct depending on the strategic relevance of the contract, the evaluation and award criteria to be used for award will be agreed in advance of the Invitation to Tender being issued, by the Head of Service and relevant Cabinet Member.

5.1.59 Tenders will be advertised and submitted electronically via Supplying the Southwest Procurement Portal using the Council's Standard Form of Tender. Any amendment to this form must be approved in advance by Legal Services.

5.1.60 If any tenderer is unable to submit their Tender in this way, a written tender will be accepted.

Tenders – manner of submission

5.1.61 Every invitation to tender shall state that tenders will be only considered if it is received either electronically via Supplying the Southwest Procurement Portal, or by hard copy as described at 5.1.60 above by the date and time specified unless a valid reason is supplied.

5.1.62 Where a written tender is to be accepted, it must:

- Be received in a plain sealed envelope ; and
- Bear the word "Tender" followed by the subject to which it relates;
and
- Bear no name or mark indicating the sender; and
- Bear the date and time for the return of the tender as specified in the invitation.

5.1.63 Such tender envelopes shall remain in the custody of Member Services, until the time appointed for their opening.

5.1.65 No tender received by any means after the time and date specified in the invitation shall be accepted or considered under any circumstances

Tenders – Procedures for opening

- 5.1.66 All tenders for a Contract shall be opened via the verification process within the eTendering portal.
- 5.1.67 The designated Verifier for the tender will be a member of the Internal Audit section and only those Officers delegated with Verifier status will be able to access the tenders and remove the Tender seal.
- 5.1.68 The tenders may then be accepted and released for evaluation or declined and reasons given.
- 5.1.69 Documentation from the eTendering portals audit log should be produced to show the following:
- a) The name of the Tenderers who submitted their tender on-time
 - b) The name of the Tenderers who submitted their tender late
 - c) The name of the Tenderers who opted out of the Tender process and the opt out reason (if supplied)
 - d) The date and time of the submission
 - e) The Tendered price for each on-time submission as it appear on the Form of Tender.
- 5.1.70 Where a written tender is to be accepted, all tenders for a Contract shall be opened in the same place and at the same time. Any such tenders shall only be opened in the presence of a minimum of three officers who shall include:-
- a) A representative from Member Services; and
 - b) An officer from the procuring service; and
 - c) A representative from Internal Audit.
- These should include the same Officer who has verified any electronic tenders received for the same contract.
- 5.1.72 During the opening process tenders will not be accepted if:
- The submission provided by the company wishing to tender is different to the basis on which tenders have been invited; or
 - The company submitting the tender cannot be identified from the tender paperwork.
- 5.1.73 Details of all written tenders received shall be recorded in a register maintained by the Internal Audit section. That register shall be open to inspection by Members of the Council.

Tenders – Procedures for acceptance

- 5.1.74 Prior to award the Head of Service in consultation with the Cabinet Member may meet with one or more of the lowest tenderers to finish and quantify the value for money being obtained for the Council.

- 5.1.75 Where tenders have been invited in accordance with these Contract Procedure Regulations, the winning tender based on VFM or MEAT as defined at 5.1.15 (a) and (b) shall be awarded the contract.
- 5.1.76 The winning tender will be defined as the one who scores highest based on the pre-defined evaluation criteria which was agreed at 5.1.57 and published with the Invitation to Tender.
- 5.1.77 For contracts under £250k the Head of Service will authorise.
- 5.1.78 For contracts above £250k, or where there is 10% excess on the tender provision, the Head of Service will refer to Cabinet prior to authorising the acceptance.

Tenders- Record Retention

- 5.1.79 A full record of the procurement process followed for Quotation and Tenders will be maintained, including but not limited to:
- a. Quotations:
- Invitation to Quote
 - Submitted quotation
 - Waivers
 - Reason for not accepting lowest price and post quotation clarification including establishing value for money.
 - Communication with successful supplier
 - Feedback (if requested) supplied to unsuccessful suppliers
- b. Tenders:
- Business case
 - Pre-tender market research
 - Method of obtaining bids
 - Contracting decisions/ reasons
 - Waiver
 - Award criteria
 - Tender documents
 - Tender submissions
 - Post tender clarification and establishing value for money
 - Legal Advice
 - Evaluation
 - Post contract monitoring

Standing Lists of Selected Suppliers

- 5.1.80 Where quotations or tenders are regularly obtained for the same or similar types of goods, services or works that are below the EU tender process value a standing list of selected suppliers may be used in the interest of efficiency and value for money.

- 5.1.81 Each Head of Service is authorised to compile maintain and review in consultation with the Procurement Manager such standing lists as are appropriate for the contracts for which they are responsible.
- 5.1.82 Each standing list shall be reviewed and updated by the relevant Chief Officer at least once in any 24-month period and copy sent to procurement.
- 5.1.83 A list of the established select lists is held by Procurement.

Orders for Goods, Works and Services

Once a contract has been awarded or a quotation accepted, the following rules in relation to transactional process of ordering through to payment should be followed.

Rules:

- 5.1.83 The system to be used for the ordering of works, goods and services shall be the eProcurement Corporate Finance System or any successor system as agreed by the Head of Finance. Only orders in a format agreed by the Head of Finance shall be used.

Includes:

- Hire/ rent/ lease of goods (See 6.6 Asset Leasing arrangements)
- Delivery of recruitment/ consultancy
- Appointment of Counsel
- Obtaining Finance

- 5.1.84 Any amendments or changes in procedure to the agreed system must be approved by the Head of Finance in consultation with the Head of ICT if appropriate, prior to being updated.
- 5.1.85 Every officer and member of the Authority has the responsibility to declare to the Monitoring Officer any links or personal interest that they may have with purchasers, suppliers and/or contractors (including sub-contractors) if they are engaged in contractual or purchasing decisions on behalf of the Authority in accordance with the appropriate Codes of Conduct.

Ordering

- 5.1.86 Official orders, either in whole or in part, must not be used to obtain goods or services for private use. Any officer found to be breaching this Rule, will be subject to disciplinary proceedings.
- 5.1.87 Official eProcurement orders shall be raised for all work, goods and services to be supplied to the Council. No work is to be placed to an outside contractor without an order being raised.
- 5.1.88 All ordering must be conducted through the Procurement Team. Under no circumstances are verbal orders to be placed except as at 5.1.89.

- 5.1.89 In the case of an emergency situation, the order must be placed as soon as is reasonably possible and in all cases prior to the supplier submitting their invoice.
- 5.1.90 Guidance must be sought from the Procurement Team for any officers placing an emergency order or orders relating to exceptional circumstances.
- 5.1.91 Prior to engaging any new supplier, Officers should consult with the Procurement Team to ensure that there is not already a contract in place which could meet their requirement.

To use the new supplier, a [FIN304](#) Request for Supplier set up form should be completed with all relevant details for verification with HMRC including where applicable:

- UTR (unique tax reference)
- National Insurance number
- Company registration number
- VAT registration number

Consideration of employment status, see 5.2 below and if the work involves construction, 5.3 below, also needs to be made before a new supplier is created.

- 5.1.91 All orders must be raised, in advance of the works, goods or services being received by the Council. A designated authorised signatory, will need to authorise orders prior to the order being raised and placed by the Procurement Team.
- 5.1.92 It is the responsibility of the designated service Authoriser to confirm with the relevant budget holder and / or Accountant as to whether there is budget available prior to requisitioning the works, goods or services.
- 5.1.93 Spending limits must be observed at all times and officers must not avoid overspending on the correct expenditure code by applying an incorrect underspend code to an order.
- 5.1.94 Spending limits will be reviewed and approved by the Head of Service on an annual basis.
- 5.1.95 Officers initiating an order must consult the appropriate Accountant and jointly decide if a virement is required from an underspent code to the correct code before the ordering process continues. Any doubt or difficulty in correctly coding an order shall be referred to the appropriate Accountant for advice.
- 5.1.96 Orders are not to be split into smaller orders solely to avoid the value limits and procedures laid down in the Council's Contract Procedure Rules.
- 5.1.97 Orders are not required for:
- a) Rents;
 - b) Rates;
 - c) Supply of Utility Services (Gas, Mains Water, Electric, Telephone);

- d) Petty Cash reimbursements; and
- e) S151 treasury transfers.

Variations to official orders can be made by submitting a properly completed [FIN305](#) variation order to the Procurement Team.

Full details of how to use the eProcurement system can be found in the eProcurement User Guide which is available on sharepoint.

5.2 Employment Status - Use of Consultants and Others

- 5.2.1 Employment status of non Mid Devon District Council employees should be a concern for all service managers. This guidance lays out the basic position and shows how to work out the status of an engagement.
- 5.2.2 It is vital to resolve the issue of status and inform the individual how they will be paid, **before** they undertake the work. This will prevent delays in payment and disagreements if someone is paid subject to deductions via payroll, when they were expecting to be paid gross, against invoices submitted via the Creditors system. .
- 5.2.3 The service manager engaging someone to perform a task has the responsibility of determining their employment status and whether they should be paid via payroll. It is not up to the individual being asked to perform the task to indicate what their status is. If the Council treats someone incorrectly, and HMRC imposes interest and penalties these will fall on the budget holder.. (HMRC will normally go back as far as six years plus the current for unpaid tax, NI, interest and penalties.)
- 5.2.4 Even if an individual can demonstrate that they are registered with HMRC as self-employed this does not mean that they should necessarily be treated as such when they undertake an engagement for Mid Devon District Council. It depends upon the contractual arrangement with the individual (See Below)
- 5.2.5 If the working arrangement is such that the individual is deemed to be employed by the Council then the HR Manager needs to be informed so the appropriate contract of employment can be drawn up and issued **before** the individual commences any work for the Council.
- 5.2.6 If you engage an individual via a registered company or employment agency then so long as payments are made to the registered company or agency name the Council do not have to consider employment status. Payment must not be made to the individual employed in this circumstance
- 5.2.7 Employment status can still be an issue for individuals who fall under the Construction Industry Scheme. (CIS). To avoid this complication the Council should not provide tools and equipment, and ensure these individuals have other self-employment in addition to the works they do for the Council. This will ensure tax is only payable under CIS, and the Council does not have to consider whether they could be employees or not.

Points to consider

5.2.8 The following are extracts from: “Are your workers employed or self-employed for tax and National Insurance contributions” HM Revenue and Customs leaflet ES/FS2.

An individual worker is likely to be **employed** if the answer is ‘**yes**’ to most of the following questions:

- Does the worker have to do the work themselves?
- Can you tell the worker where to work, when to work, how to work or what to do?
- Can you move the worker from task to task?
- Does the worker have to work a set number of hours?
- Is the worker paid a regular wage or salary?
- Can the worker get overtime pay or bonus payments?
- Is the worker responsible for managing anyone else engaged by you?

Your worker is likely to be **self-employed** if the answer is ‘**yes**’ to one or more of these questions:

- Can the worker hire someone to do the work, or take on helpers at their own expense?
- Can the worker decide where to provide the services of the job, when to work, how to work and what to do?
- Can the worker make a loss as well as a profit?
- Does the worker agree to do a job for a fixed price regardless of how long the job may take?

If you can’t answer ‘yes’ to any of the above questions, your worker is still likely to be **self-employed** if you can answer ‘**yes**’ to most of the following questions:

- Does the worker risk his own money?
- Does the worker provide the main items of equipment (not the tools that many employees provide for themselves) needed to do the job?
- Does the worker have to correct unsatisfactory work in their own time and at their own expense?

An example:

If an individual contracts to paint Phoenix House for £20k and to complete the work in eighteen months at times that suit him with as many workers as he sees fit to employ it would indicate self-employment. The costs incurred could generate either a profit or a loss and there is a financial risk to him.

However, if he is to report to a service manager on Monday and paints the building using our paint and equipment, cannot contract others to do the work, and effectively works the hours we decree, then there is no financial risk to him and this would be employment.

There is an online tool that can be used to help determine the status of individuals at:

www.hmrc.gov.uk/calcs/esi.htm

However the online ESI tool should **not** be used for determining the status of:

- individuals who provide their services through a limited company (known as IR35)
- contracts with agencies to provide services to another person (client).

If you have any doubt as to the correct treatment, the matter should be referred to the Head of Finance or Head of HR and Development without delay.

5.3 Construction Industry Scheme

- 5.3.1 Under current tax legislation the Council is a deemed Contractor and those working for the Council are sub-contractors. The Head of Finance will arrange for nominated staff to check the validation at the HMRC website when Procurement have advised of a new potential CIS subcontractor.
- 5.3.2 Payment in full can **only** be made to such a sub-contractor (company or individual) in the construction industry who has been validated by HMRC and is allowed to be paid Gross. Procurement will check the status of individuals with HMRC when creating new suppliers
- 5.3.3 Those classified to receive monies net by HMRC, will be paid with a tax deduction of 20% from the labour element of the invoice. These individuals or companies should submit invoices which clearly apportion the materials element of the charge from other elements before VAT is added. A failure to do so will mean that the invoice is not paid and returned to the supplier.
- 5.3.4 If the subcontractor is not validated the payment can only be made with 30% tax deduction.
- 5.3.5 Monthly electronic returns of CIS deductions will be made to HM Revenue and Customs by no later than 19th of each calendar month by officers nominated by the Head of Finance.

Retentions

- 5.3.6 Payments to contractors will only be made on a certificated invoice of the designated service manager, or where engaged by the Council, the Private Architect, Engineer or Consultant. Certificated invoices shall show the value of the work, retention money, amounts previously certified and amounts now certified.
- 5.3.7 All variations to contracts are to be in writing and in the form of a properly authorised [FIN305](#) FIN305 Variation Order.
- 5.3.8 The final payment for any contract will not be issued until the Head of Service has had a copy of the final account and has carried out such examination as he/she considers necessary in order to satisfy themselves as to the accuracy of the account.

- 5.3.9 It is recommended that for contracts in excess of £100,000, best practice would be to include a standard retention of 5% until practical completion of a contract and then 2.5% to be held until 12 months after practical completion of the contract, which should be specified in the contract.
- 5.3.10 It is the responsibility of the Service Manager in conjunction with the Head of Finance to agree a suitable level of retention for the specific contract on a case by case basis.

5.4 Receipt of Goods and Services

- 5.4.1 Goods works and services received by the Council will be “delivered” by approved staff on the financial system upon **receipt** of the goods or services so as to ensure the liability is promptly recorded on the financial ledger.
- 5.4.2 Certification of work undertaken by external contractors engaged by the Council is to be authorised by suitably experienced and qualified staff prior to delivery being entered on the financial system.
- 5.4.3 Documentation relating to deliveries such as Delivery notes or Job completion sheets should be kept in accordance with the Councils Document Retention guidance.
- 5.4.4 Where possible the delivery note should be scanned and attached to the eProcurement system at the point of entering the Good Received Note.

5.5 Authorisation for Payment

- 5.5.1 The Head of Finance will ensure that procedures are in place to ensure that orders made for goods and services on behalf of the Council can only be placed by suitably trained authorised individuals, up to authorised limits, covered by an appropriate budget provision.
- 5.5.2 The limits for approval of expenditure are set out in Appendix A.
- 5.5.3 Service managers will be responsible for the authorisation of orders raised in the pursuit of their agreed service plans. All requests to add or amend authorisation amounts must be made to Head of Finance in advance and approved prior to their use..
- 5.5.4 HR are to supply a monthly report to the Head of Finance to ensure prompt removal of former employees.
- 5.5.5 Contract retentions in accordance with contractual arrangements are always to be made and the Accounts Payable section is to be authorised only to pay net amounts due.

5.6 Payments

Why is this important?

The Council spends significant amounts of public money on the purchase of goods and services in order to provide its services in accordance with statute and policy decisions. .

Risks:

- The Council pays for goods and services that have not been received;
- The Council pays for goods and service twice or more in error;
- The opportunity for fraud or loss is increased;
- Financial and accounting records are not correctly updated.

Regulations:

- 5.6.1 The Council will pay invoices within 30 days from receipt of invoice or on other terms as maybe agreed. All staff involved with paying creditors shall ensure that invoices are dealt with promptly.
- 5.6.2 In the cases of invoices relating to work which is covered by the Construction Act 2009, payment will be made in accordance with the protocol set out in the statutory scheme for Construction Contracts.
- 5.6.3 No amendments, changes or avoidance of the system laid down for the processing of invoices for payment must be undertaken without the approval of the Head of Finance.
- 5.6.4 Invoices will only be accepted on which details are written in ink, typewritten, printed or generated by computer. Payment against faxed or photocopied invoices require the prior approval of the Head of Finance, or his/her appointed representative..
- 5.6.5 All Invoices must be received centrally in the Accounts Payable section of Financial Services.
- 5.6.6 It is the responsibility of the paying department to check the following:
- That an order has been raised, where appropriate and in accordance with 5.1 Procurement of Work, Goods and Services.
 - The invoice is addressed to Mid Devon District Council
 - That the details listed on the invoice match the order, including the description, units, amount and VAT and that they are within the acceptable validity limit of +/- 5%.

- That the goods and services have been supplied/delivered to the Council and recorded via the 'enter goods receipt' section of the eProcurement system.

5.6.7 It is the responsibility of the Accounts Payable section to check the following:

- That any trade and cash discounts have been deducted
- That the invoice is a genuine invoice and is not faxed or photocopied
- That the invoice has not previously been paid.

5.6.8 The refunding of any payment made by a member of the public can only be considered if there are genuine reasons for doing so, e.g. cancellation of event, overpayment of Council Tax, etc. The refund request must be correctly authorised and accompanied by proof that a payment was made to the Council.

5.6.9 Payments on Council pre-printed forms, e.g. pro forma invoices such as Petty Cash reimbursement are to be signed by the appropriate authorising officer and checked for correct completion by the appropriate Officers and Accounts Payable staff before payment.

5.6.10 The Internal Audit Section will carry out checks on the Creditors system in accordance with the Audit Plan.

5.6.11 Payment for goods and services not yet received i.e. training courses should only occur in exceptional circumstances and with the prior approval of an authorising officer. A record of the payment should be made on the order and checks should be carried out to ensure that delivery subsequently takes place.

5.6.12 All Creditors cheques returned to the Council, whether by hand or by post, shall be passed immediately to the Accounts Payable section of Financial Services and not to the instigating officer. The instigating officer is, however, to be informed of any cheque having been returned.

5.6.13 Creditors will be paid by BACS whenever possible with a remittance advice forwarded within 24 hours of payment. All Bank details to enable payment will be held on the Creditor's individual file records and amended by Procurement staff only on receipt of official notification in writing, from the Creditor.

5.7 Contracts Register

5.7.1 Upon award of any contract, a [FIN306](#) Contract Award Notification will be sent by the Procurement Team to the relevant Head of Service, Service Manager, Cabinet Member and Accountant and to the Head of Finance to notify them of the award.

5.7.2 It will remain the responsibility of the Procurement Team to maintain a contract register of all contracts awarded on behalf of the Council.

5.7.3 The register will document the supplier, value and duration of the contract and be available for review on a centrally held electronic file by Officers and Members.

6.0 Expenditure

- 6.1 Housing and council tax benefit payments**
- 6.2 Housing renovation and associated grants**
- 6.3 Purchase cards**
- 6.4 Credit cards**
- 6.5 Petty cash**
- 6.6 Asset leasing arrangements**
- 6.7 Urgent payments**
- 6.8 Emergency action**

6.1 Housing and Council Tax Benefit Payments

Why are these important?

The Council administers the payment of benefits, on behalf of the Department of Work and Pensions, to assist people in paying their rent and/or Council Tax bills. The Housing Benefit scheme is complex, requires people to declare both personal and financial details and is, as a result, open to error and abuse. This being the case the assessment, calculation and payment of claimants needs to be carefully controlled.

Risks:

- Benefit could be paid to fraudulent claimants;
- Personal domestic and financial details relating to a claimant could be disclosed without authority to do so;
- Benefit entitlement could be incorrectly calculated

Regulations:

- 6.1.1 The Head of Finance shall be responsible for arranging the processing, assessment and payment of benefit.
- 6.1.2 The Head of Finance shall ensure that periodic checks on the calculations and the entitlement for benefit cases are carried out. Verification Framework checks are to be carried out on all benefit documentation received..
- 6.1.3 All records and files of personal information relating to claims and the calculation of entitlement to benefit are to be held under arrangements that will prevent access by unauthorised persons and enable compliance with the Data Protection Act.
- 6.1.4 Any information gained in the assessment and payment of benefit shall not be divulged by any member of staff to persons not authorised to receive that information. Any person seeking information on behalf of another must provide satisfactory evidence that they are authorised, by the claimant, to do so.
- 6.1.5 Any member of staff with a personal interest in a benefit claim will have no part in the assessment or payment of that claim. All staff involved in the administration of Housing and Council Tax benefit will complete an annual declaration of interests form, and notify the Benefits Manager as soon as they become aware of any personal interest.
- 6.1.6 All benefits cheques returned to the Council, whether by hand or by post, shall be passed immediately to the Accounts Payable section and cancelled. The Benefits Unit is, however, to be notified that any such cheques have been cancelled.
- 6.1.7 Lost cheques will not be reissued until the original has been cancelled or has been stopped. See 14.1.5 relating to crossed cheques.

6.2 Housing Renovation and Associated Grants and Loans

Why is this important?

Each year the Council receives applications from the public for grants and loans to assist them financially in renovating their property or associated work such as alterations for the installation of disabled facilities. Many grants and loans are for thousands of pounds and it is therefore essential that applications are correctly assessed, calculated and paid in accordance with both legislative and Council requirements.

Risks:

- Applicants may be paid and yet not be entitled to receive grant or loan monies;
- Grant or loan entitlement may be incorrectly assessed leading to an incorrect payment being made;
- The grant and loan scheme may be manipulated with fraudulent intent

Regulations:

- 6.2.1 The Head of Environmental Services will be responsible for delegating the management and processing of applications for Housing Renovation and other related Grants or loans.
- 6.2.2 The processing of grant and loan applications shall be dealt with expeditiously in accordance with current legislation and Council policy. All applications must be approved by the Head of Environmental Services or his/her nominated representative before any payments are made.
- 6.2.3 Payments must be within the limits for such grants or loans set in the Private sector Renewal Policy.
- 6.2.4 Payments of grant or loans will not be made without the standard of workmanship having been first approved as satisfactory by the appointed Environmental Health Officer in association with the applicant.
- 6.2.5 Employees of the Council with a personal interest in any grant application must notify the relevant Head of Service who shall record the interest.
- 6.2.6 Employees of the Council who have a personal interest in any grant or loan application must not participate in the processing of the application or payment of the grant or loan and comply with the Officers Code of Conduct.

6.3 Purchase cards

The Council recognises that the cost of its spending is an area which can be reduced by using more efficient payment methods which include the use of Purchase Cards and Credit Cards.

The Council has an approved purchase card scheme under the Government Procurement Card (GPC) framework. Purchase cards are issued to Officers where it has been identified that there is either a large volume of low value transactions or a frequent urgency for a smaller number being made when at remote locations.

Regulations

- 6.3.1 Authorised Users sign up to the terms and conditions as set out in Appendix C, which clearly set out how the card is to be utilised and that under no circumstances may it be used for personal purposes.
- 6.3.2 The scheme is to be used in line with the Guidance document issued to users with their cards shown at Appendix D.
- 6.3.3 The Head of Finance will appoint administrators who shall be able to request information and make amendments on the company account, including the creation of additional cardholders.
- 6.3.4 Where the cardholder purchases goods or services relating to the Building Maintenance department, the cardholder will be required to provide the Job Number to which the purchase relates to the supplier at the time of purchase.
- 6.3.5 Cardholders shall retain all VAT receipts from the transactions and record them on the prescribed transaction log.
- 6.3.6 The Cardholder, or an authorised user, shall reconcile all the transactions on their transaction log and statement on a monthly basis using the reconciliation software 'eSolutions'. During the reconciliation process, the following items associated with the transaction must be populated:
 - Receipt reference
 - VAT amount
 - Accounting codes
 - Description
- 6.3.7 When the cardholder has checked the accuracy the cardholder's approver must complete the summary before the full month's transactions are loaded into the financial management system.
- 6.3.8 The reconciliation, approval and loading of the file will be completed in line with the timetable set out each year.
- 6.3.9 The Head of Finance will review the effectiveness of the scheme from time to time and at least at the re-tendering of the contract, usually every 3 years.

6.4 Credit Cards / Purchasing Cards

- 6.4.1 A Corporate Credit Card is used for the purchase of products or services where the only method of payment accepted by the supplier is credit card. The credit card is to be held in a secured location by the Procurement Team.
- 6.4.2 The Head of Finance will appoint authorised signatories who are able to request information, make changes to the account or create new cardholders.
- 6.4.3 A purchase order must be raised in line with the Financial Regulations before any transaction is made using a card, All transactions made using a credit card are to be recorded on a central log which must be reconciled monthly to the Credit Card statement.
- 6.4.4 The relevant accounting codes and VAT information from each transaction are to be allocated on the financial ledger at the point of payment. VAT receipts are to be held centrally in line with the Council's retention policy.

6.5 Petty Cash

Why is this important?

Petty cash is required to meet minor items of expenditure that may arise from time to time. .

Risks:

- Cash is stolen, lost or borrowed without due authority;
- Money is spent on non-work related goods or services
- Petty cash is used as a means to circumvent the proper procurement process

Regulations:

- 6.5.1 The Head of Finance, in consultation with Service managers, will decide on the fixed amount of the float to be used for meeting petty cash expenses at any satellite establishment.
- 6.5.2 Petty cash made available is for work related transactions only. Under no circumstances are petty cash floats to be used for personal reasons i.e., loans or advances of cash. Any officer found to be in breach of this Rule will be subject to disciplinary proceedings.
- 6.5.3 Payments from petty cash are to be limited to minor non-recurring items of expenditure, not exceeding the thresholds set out in Appendix A.
- 6.5.4 None of the following items of expenditure are to be paid out of petty cash;
 - Travel and subsistence expenses of officers;
 - Postage, excepted where a small supply of stamps is held for specific purposes;

- Sundries, such as milk, tea, coffee, biscuits, etc. for officers;
 - Stationery;
 - Any other payments relating to staff or persons working or providing a service to the Council
- 6.5.5 Any officers found to be in breach of this Rule will be subject to disciplinary proceedings.
- 6.5.6 A [FIN321](#) form will be provided by the Head of Finance for each officer holding a petty cash float at the 31st March to certify in writing the amount held, either in cash and/or in signed vouchers awaiting reimbursement.
- 6.5.7 All payments from petty cash are to be recorded on the electronic [FIN320](#) Petty Cash Reconciliation form and are to be supported by vouchers in the approved form. The voucher is to be signed only by the employee entitled to receive the payment and is to be counter-signed by an authorised officer at the time of payment. Full details of the claim are to be recorded on the voucher and an official VAT receipt obtained and attached to the voucher.
- 6.5.8 On leaving the Council's employment or otherwise ceasing to be entitled to hold a petty cash float, an employee shall account to the Head of Finance for the float amount advanced to him/her.
- 6.5.9 Petty cash floats are to be reconciled and balanced (vouchers to cash balances) on a monthly basis.
- 6.5.10 Replenishment of petty cash floats will be via the submission of the [FIN320](#) Petty Cash Reconciliation form using the guidance notes within the workbook.
- 6.5.11 The workbook should be authorised and sent electronically to accountancy@middevon.gov.uk. A hard copy of the 'Vouchers' page and the 'Replenishment' page should be sent to Accounts Payable with all signed vouchers and receipts in support of the amount claimed.
- 6.5.12 Once Accounts Payable have verified the replenishment they will authorise the Customer First Team to contact the officer holding the float to collect the replenishment. Council identification must be presented when collecting the cash.
- 6.5.13 Cash balances and vouchers shall be available for inspection upon request, by Internal Audit.
- 6.5.14 Any till differences in excess of the amount shown at E Appendix A shall be referred immediately to Internal Audit.

6.6 Asset Leasing Arrangements

Why is this important?

Capital finances are not always available to purchase an asset outright, especially larger vehicle and equipment purchases. Leasing an asset enables the cost to be

spread over several financial years. Asset leasing contracts are legally binding documents which therefore need to be considered and entered into with caution.

International Financial Reporting Standards (IFRS) require Operating Leases and Finance leases to be treated differently within the year end accounts. Whether a lease is a finance lease or an operating lease depends upon the substance of the transaction, rather than the form of the contract. This is not always conclusive. The assessment requires judgement against the lease classification indicators set out in International Accounting Standards (IAS) 17.

Criteria pointing to a finance lease classification include:

- The lease transfers ownership of the asset to the lessee by the end of the lease term.
- 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.
- The lease term is for the major part of the economic life of the asset.
- The present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset (MDDC applies a rate of 75% and above).
- The leased assets are of such a specialised nature that only the lessee can use them without major modifications.

In summary not only is it important to ensure that our lease arrangements are appropriate for our needs, it is also important that each lease is classified and recorded within the correct framework.

Risks:

- The Council may fail to be able to meet future commitments.
- New annual lease payments may exceed budgetary provision.
- Assets are not appraised to ensure leasing is a more viable option than purchasing.
- Assets are not purchased following procurement guidelines or leased following a financing review.
- The asset is disposed of before the lease ends or is ready to be disposed of.?
- Lease interest rates are high.
- Lease agreement contracts are not signed or stored correctly.
- Leases are classified incorrectly because IFRS regulations are not followed.
- Business needs change - working the asset unnecessarily.

Regulations:

- 6.6.1. A business case analysis should be carried out when considering purchasing a new asset and the Service Accountant should be included in this process. The business case should show that there is a definite business need for the asset, the asset to be acquired has been appraised to be the most operational and cost effective

solution and that procurement rules have been followed to obtain quotes or to tender for the asset.

- 6.6.2. At this stage the Service Accountant should consider by whether finances are available to purchase or whether leasing the asset is more appropriate. In any event if the Council are to purchase the asset and subsequently undertake a sale and leaseback arrangement the normal procurement rules outlined at 5.1 above must be followed. Service Managers must therefore be mindful of lead times before the acquisition of assets.

If the asset is to be leased a leasing advisory body will be contacted to carry out a financial review and find the best leasing option. This must only be done after the decision not to purchase has been made. Additional costs could be incurred in instructing a financial review if a decision is then made not to lease.

- 6.6.3. Arranging the financing of a lease will be administered by the Head of Finance . ? All contractual documentation should be forwarded to the Head of Finance, once signed by an authorised signatory all Contracts will be entered into the Contracts Register within Legal Services.
- 6.6.4. Annual payments due on new finance leases will be funded by the service acquiring the asset through a budget virement to the finance lease detail code.

Property Leases

- 6.6.5. If the Authority enters into any new property leases, either as Lessor or Lessee, The Head of Finance needs to be immediately advised of the transaction and the nature and terms of the agreement entered into. This is most important because the accounting treatment of the transaction and therefore our financial statements could be different, depending upon the circumstances.

6.7 Urgent Payments

- 6.7.1 Payments to suppliers and others are normally arranged in a series of weekly or monthly runs.. Service managers are asked to try wherever possible to adhere to these standard payment runs to maintain efficiency.
- 6.7.2 This will be by BACS as the faster more secure option and the Service Manager will need to obtain all of the relevant details of the payee for this to occur. However in the rare case that circumstances conspire to warrant an urgent payment service managers should endeavour to obtain the bank details and full name and address of the payee so that a BACS payment can be issued without delay by the Finance Team. The monies will always clear faster than a cheque, and the process is both more secure and cheaper for the Council.
- 6.7.3 Heads of Service and service managers must ensure that Financial Regulations and Contract Procedure Rules relating to contracts and tenders have been complied with. However, in a situation which is outside the time framework for a Cabinet decision, then in such a circumstance, the decision could be taken by the Cabinet Member for Finance together with either the Chief Executive or the Head of Finance for expenditure up to the EU threshold limits. Any such decision of the

Cabinet Member and Head of Services would however need to be reported back to the next Cabinet meeting, so that there is accountability and an audit trail of the decision.

6.8 Emergency Action

- 6.8.1 In the event of an emergency, the Chief Executive or a Head of Service is empowered to authorise all necessary actions and to incur expenditure outside amounts included within budgets without recourse to the requirements of these Financial Regulations.
- 6.8.2 The Chief Executive or Head of Service shall notify the Head of Finance in writing, of the circumstances and estimated financial impact and report formally to the relevant Service Cabinet Member as soon as possible after the action.

7.0 External Expenditure Arrangements

7.1 Work for third parties

7.2 Work by third parties

7.3 Partnerships with external entities

7.4 Projects

7.0 Work for Third Parties

Why is this important?

Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

Risks:

- The Council could make a significant loss by carrying out this work;
- Internal resources are tied up in providing external users a service with a resulting detrimental effect on the internal service provision;
- The Council could be held liable for the actions of its staff.

Regulations:

- 7.1.1 The Head of Finance shall provide guidance on the financial aspects of providing third parties with services and the maintenance of a contracts register.
- 7.1.2 The Head of HR and Development in consultation with the Head of Finance shall maintain a register of all contracts entered into with third parties in accordance with guidance.

Each service manager shall ensure that:

- Appropriate insurance arrangements are in place to the satisfaction of the Head of Finance;;
- The Council is not put at risk from any bad debts;
- Valid sales invoices with the correct vat treatment are created for the service;
- Wherever possible, payment is received in advance of the provision of the service;
- The relevant service has the appropriate expertise to undertake the contract;
- The delivery of the contract will not adversely impact upon the services provided for the Council;
- All contracts are properly documented and that the documentation is kept up to date;
- The Head of Finance is provided with the appropriate information to enable a note to be entered into the financial statements.

7.1.4 Heads of Service must ensure that work carried out by third parties (for instance by an Arm's Length Management Organisation) for the Council is approved and covered by a suitable contract or agreement so that the responsibilities of each party are clear. Financial, legal, HR and procurement advice should be sought at an early stage. This will ensure that the organisation only carries out work that is within the relevant legal powers, and that financial issues such as responsibility for managing budgets, insurance and taxation are properly considered.

7.2 Partnerships with External Partners/Agencies

Why is this important?

Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the wellbeing of the area. The Council is working in partnership with other Councils, public agencies, private companies, community groups and voluntary organisations, to bring together the contributions of the various stakeholders to deliver a shared vision of services based on user wishes.

The Council will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. The Council will be measured by what it achieves in partnership with others and assist as much as possible depending upon resources.

Risks:

- Important issues and problems are not addressed. Roles and responsibilities for the partnership are not clearly defined at the outset;
- The risks associated with the partnership are not identified or addressed;
- The financial viability of the partnership is not assessed at the outset;
- The partnership may not deliver the level of staffing or expertise anticipated at the outset;
- The objective of a proposed partnership may not be achieved;
- A partnership arrangement may cost the Council more than an existing or singularly administered equivalent, or the quality of service may decline, or both;

Regulations:

- 7.2.1 It is the responsibility of all Service managers to identify any instances of partnership working within their service areas and to keep a written record.
- 7.2.2 Before entering into any partnership agreements the service manager will advise the Head of Finance of the key elements of the partnership. This will include an analysis of:
- A cost/benefit appraisal of the financial viability of the partnership, both in the current and future years (including estimated budgetary requirements);
 - Risk assessment and management (including the production of a risk log);
 - Resourcing, including taxation issues;
 - Audit, security and control requirements;
 - Dispute resolution.
- 7.2.3 The Head of Finance must be advised and will give advice on effective controls and ensure that accounting arrangements are satisfactory.
- 7.2.4 The Head of HR and Development must be advised and a suitable partnership agreement drawn up and signed before commencement to safeguard all parties.
- 7.2.5 It will be the on-going responsibility of the service manager to:
- Adhere to approved Council policies relating to partnership working;
 - Ensure that such partnership agreements and arrangements do not impact adversely upon the services provided by the Authority;

- Provide appropriate information to the Head of Finance to enable a note to be entered into the Council's statement of accounts concerning material items;
- Ensure that all partnership agreements and arrangements are properly documented. Such documentation must be sufficiently detailed to allow the performance of the partnership to be effectively monitored and assessed.

7.2.6 Service managers are responsible for reviewing all existing partnerships on an annual basis to ensure that the partnership continues to deliver Value for Money, and that it operates in the best interests of the Council and is not in conflict with the Council's objectives.

7.2.7 Service managers must notify the Head of Finance and the Head of HR and Development, if the Council intends to disengage from an existing partnership who will then advise on appropriate measures to protect the Council's interests when the partnership is dissolved.

7.2.8 It is the partners' responsibility to:

- If appropriate, and especially where this Council takes the lead, be aware of their responsibilities under these Financial Regulations;
- Ensure that risk management processes are in place to identify, assess and monitor all known risks;
- Ensure that project appraisal processes are in place to assess the viability of the project in terms of resources (including finance), staffing and expertise;
- Agree and accept formally, the roles and responsibilities of each of the partners involved in the project before the project commences (including the production of terms of reference);
- Communicate regularly with other partners throughout the project or partnership so that problems can be identified and shared, to achieve their successful resolution;
- Develop a framework for measuring the performance of the project or partnership and regularly share performance results with partners and stakeholders;
- Ensure that any financial contributions made to the Council, for the purposes of the Partnership, are made on a timely basis.

7.3 Projects

Why is this important?

The Council normally undertakes projects for “one-off” or unique events.. Projects can be caused by many factors including changes in central government direction or legislative changes.

All projects that have an intrinsic value (including direct and indirect costs) of £50,000 or more shall be run using structured project management PRINCE2 as this is industry standard and can be sized appropriately.

Risks:

- The project may fail due to an inadequate or inexperienced project manager;
- The project may exceed its budget both in terms of cost and time;
- Important issues and problems are not addressed and roles and responsibilities for the project are not clearly defined at the outset;
- The risks associated with undertaking the project are not identified or addressed;
- The financial viability of the project is not assessed at the outset;
- The project may not deliver the desired objectives and outcomes that were anticipated at the outset;
- Failure of a project may impact on the Council’s reputation.

Regulations:

- 7.3.1 Service managers (or Head of Service) own the business case, including the budget for the project, and are accountable to Management Team for the project. The service manager is responsible for producing and submitting the business case to Management Team for approval. This must include:
- a. Reasons for the project
 - b. Business Options
 - c. Expected Benefits and Issues / Disbenefits
 - d. Timescales
 - e. Costs
 - f. Investment Appraisal
 - g. Major Risks

- 7.3.2 Where the Business Case submissions form part of a Programme or is in competition with other business cases in bids for funding (e.g. capital bids), then scoring criteria will be agreed by Management Team. Then each business case can be considered, prioritised or rejected
- 7.3.3 If Management Team has approved the Business Case, then at an agreed date a Project Initiation Document (PID) will be submitted by the Service Manager for approval. The PID will contain
- a. The objectives of the project;
 - b. The scope of the project;
 - c. The measurable outcomes/benefits of the project;
 - d. A list of deliverables for performance monitoring purposes;
 - e. An updated business case (including a cost/benefit analysis);
 - f. A risk log containing risks that have previously been assessed;
 - g. An action plan of how and when the project is to be delivered;
 - h. and the proposed project organisation.
- 7.3.2 Where the project involves the use of consultants, their appointment should be subject to the Council's normal rules - see Chapter 5. The estimated cost of using a consultant is to be set as the Consultant Budget on the project. The Project Manager will be responsible for monitoring the actual spend on the consultant on a monthly basis in conjunction with the Head of Finance or designated accountant and report to the Project Board.
- 7.3.3 It is the responsibility of the Head of Finance to set up the budget for the project on the financial ledger.
- 7.3.4 It is the responsibility of the Project Manager to monitor the project budget and project progress, in conjunction with the Head of Finance or designated accountant, and to provide the Project Board with regular updates, so that any issues or concerns can be fully discussed and action taken, where appropriate.
- 7.3.5 All project documentation must be retained in accordance with the document retention guidelines available on Sharepoint.
- 7.3.6 Where the project expenditure is anticipated to be £50,000 or below, it will be the responsibility of Head of Service to monitor the total level of expenditure and hold the Service Manager as Project Owner to account should any variances arise during the course of the project. If the Project requires additional financing for the

project, then with the approval of the Project Board, the Project Owner will obtain the approval of Management Team prior to committing the expenditure.

7.3.7 Where the project expenditure is anticipated to be between £50,000 and £250,000 it will be the responsibility of Management Team to monitor the total level of expenditure and hold the Service Manager as Project Owner to account should any variances arise during the course of the project. If the Project requires additional financing for the project, then with the approval of the Project Board and Management Team, the Project Owner will obtain the approval of the Cabinet prior to committing the expenditure.

7.3.8 Where the project expenditure is anticipated to be in excess of £250,000, it will be the responsibility of the Cabinet to monitor the total level of expenditure and hold the Head of Service as Project Owner to account, should any variances arise during the course of the project. If the Project requires additional financing for the project, then with the approval of the Project Board and Management Team, the Project Owner will obtain the approval of the Cabinet prior to committing the expenditure.

8.0 Staff Related Expenditure

- 8.1 Payroll
- 8.2 Travel and subsistence
- 8.3 Car loans and car leases
- 8.4 Private telephone calls
- 8.5 ICT auctions

8.1 Payroll

Why is this important?

Staffing the Council's services is the most expensive cost to fall on the taxpayer. .

Risks:

- Payments may be made to employees who have left;
- Employees may be paid incorrectly;
- The Council could be prosecuted for failing to abide by employment law;
- The Council could be heavily criticised by the external auditors for failing to maintain adequate employment records
- Tax compliance and associated penalties

Regulations:

- 8.1.1 The regulations, set out below, cover all officers employed by the Council and all Elected Members.
- 8.1.2 All claims from Officers and Members must be submitted to the Payroll Manager by the 6th of the month.
- 8.1.3 The Head of HR and Development may review these dates from time to time.

New Employees

- 8.1.4 The Head of HR and Development is responsible for the payment of all salaries, wages, pensions, gratuities and other emoluments to employees, former employees, members and former members of the Council.

- 8.1.5 Appointments will be made in accordance with the establishment and rates of remuneration approved by the Council and provided that adequate budget provision is available. Payments will be made in accordance with nationally or locally agreed conditions.
- 8.1.6 In all instances where a new appointment is to be made (whether replacing an existing post or adding to the establishment), the recruiting manager will be required to complete a Vacancy Approval Form (VAF) and justify the business case for recruiting. The VAF must then be signed off by the Head of Service before being passed to Finance to check that there is adequate budget to recruit. The VAF must then be passed to The Head of HR and Development and Chief Executive for approval.
- 8.1.7 Once an appointment has been made, a starter form will be completed by the Head of HR and Development and will be signed by the recruiting manager prior to being passed to the Payroll Manager.
- 8.1.8 The Head of HR and Development will ensure that baseline security checks are undertaken to satisfy eligibility to work and that new employees produce the following:
- Completed Pension Option Form
 - Copy Birth Certificate (if joining the Pension Scheme and married, copies of the marriage certificate and partner's birth certificate)
- 8.1.9 Tax form P45 or P46The Head of HR and Development will start and maintain personal files for all new employees and will complete pension documentation as required, in accordance with the Local Government Pension Scheme.

Leavers

- 8.1.10 The relevant Service manager will notify the Head of HR and Development immediately of all resignations, dismissals, redundancies, or retirements The Payroll Manager will calculate and initiate the final payment and, where applicable, forward the necessary Pension documentation, to the administering Authority.

Calculation and Payment of Salaries and Wages

- 8.1.11 Each Service manager will be responsible for notifying the Head of HR and Development of all matters affecting the payment of emoluments, including changes in remuneration, other than normal increments, pay awards and agreements of general application.
- 8.1.12 Overtime must only be worked with the prior approval of the Service manager or his/her representative. Claims for overtime and other allowances must be certified

by an authorised officer in accordance with the official Authorised Signatories List for overtime (or Local Conditions of Service where the officer is SCP 35 or above). These must be submitted promptly and at the latest within two months from the end of the month to which the claim relates. If the claim is submitted after two months then it will require the approval of the Head of HR and Development before being processed and paid.

- 8.1.13 Payments will be calculated by the Head of HR and Development in accordance with the information provided, the relevant Conditions of Service, and statutory payroll legislation. Non statutory deductions and changes to bank accounts are only to be made with the written approval of the employee concerned.
- 8.1.14 The salary in respect of each full calendar month for officers, and the allowances in respect of Members, will be paid no later than the 22nd of that month. The Head of HR and Development may review these dates after consultation, from time to time.
- 8.1.15 Payment will be by monthly BACS for all employees. Pay advices will be despatched to the relevant service units where a designated officer will be responsible for their distribution. Any undelivered pay advices must be returned to the Payroll Manager.
- 8.1.16 The Head of HR and Development will be responsible for the correct accounting and supply of payment information to the relevant bodies for all deductions made from the payroll.

Absence

- 8.1.17 Service managers or their authorised officers are responsible for ensuring records of all absences including holidays, sickness, unpaid and other leave are maintained and monitored, using the appropriate time recording system.
- 8.1.18 Service managers or their authorised officers must ensure staff comply with statutory and prescribed certification and notification procedures for periods of sickness and maternity leave. Failure to comply with these procedures may result in delayed or stopped payment. The submission of false information will be treated as gross misconduct.
- 8.1.19 Where an employee returns from sickness absence a return to work interview is to be completed by the line manager and forwarded to Human Resources, along with any relevant sickness paperwork, within one week of the employees return to work.

Regradings from Job Evaluation, Promotions and Transfers

- 8.1.20 The Head of HR and Development will be provided with written notification from the Pay and Grading Group and relevant Service manager of any regradings, promotions or transfers. This notification will include the employee's personal and post details, both previous and revised, and the effective date of the change. On

receipt of this information, the Head of HR and Development will instigate the change.

Honorarium and Merit Payments

- 8.1.21 Honorarium and merit payments are only to be made in accordance with the Human Resources policy.
- 8.1.22 Honorarium payments will only be made to employees who are acting up to cover a higher graded position. It is the responsibility of the Service Manager to notify the Head of HR and Development of any members of their staff that are covering higher graded positions.
- 8.1.23 Requests for merit payments are to be made on the formally approved pro-forma and authorised by the Head of HR and Development and Head of Finance prior to being passed to the Payroll Manager for payment.

General

- 8.1.24 The names and grades of all employees listed on the payroll shall be annually checked and signed as correct by the appropriate service manager to verify the accuracy of the payroll records.
- 8.1.25 Retention of documents must comply with statutory requirements and be in accordance with Financial Rule 30?.

8.2 Travel and Subsistence

Why is this important?

In the course of their duties officers and members may be required to work away from their normal place of work, attend seminars, training days etc. The officer should be reimbursed for their travel and associated costs at agreed rates and in accordance with agreed procedures. In so doing the officer receives what is due to them and the Council has an acceptable record of what is claimed and by whom.

Risks:

- Fraudulent claims are made, i.e. fictitious journeys, embellished claims, incorrect rates, etc.;
- Claims are paid twice;
- Financial and accounting records are not correctly updated

Regulations:

- 8.2.1 Claims for travel and subsistence shall only be made where journeys were authorised and expenses were properly and necessarily incurred.
- 8.2.2 Claims for travelling and subsistence are to be made monthly on the prescribed forms which must be fully completed and submitted (electronically where possible) to the Head of HR and Development by the 6th day of the following month. Late submissions will result in delayed payments.
- 8.2.3 Officers claiming travelling and/or subsistence allowances are expected to be aware of the provisions of the Local Conditions of Service before a claim is submitted. If there is any doubt concerning the accuracy of an amount being claimed, the Service manager must be consulted and the advice of the Head of HR and Development sought, if necessary, to ensure that all claims are in accordance with the relevant Conditions of Service.
- 8.2.4 Claims not submitted within two months from the end of the month, to which the claim relates, must be referred to the Head of HR and Development together with a satisfactory explanation, in writing, before any payment will be made.
- 8.2.5 The submitted claim forms pass to the Authorising Officer first to verify the accuracy of the claim prior to submission to HR. Claimants are not permitted to approve their own claim. No benefits in kind or other ex-gratia payments to staff are to be made without consulting the Head of HR and Development.
- 8.2.6 Subsistence allowances will be paid for the amount actually spent, subject to the limits approved in Local or National Conditions of Service (which is available on the Intranet).
- 8.2.7 Receipts for the subsistence allowances claimed are to be attached to the claim. If a receipt is not attached an explanation of the circumstances must be given on the claim form and the allowance paid will be restricted to 50% of the scale approved.
- 8.2.8 Travelling and subsistence claims in connection with the taking of examinations or training should be made on the prescribed form and certified by the Service manager. The cheapest mode of transport should be used where possible. Proof of attendance may be required before payment. This will be paid at the prescribed training rate. All claims must be processed through the Head of HR and Development.
- 8.2.9 Where an officer is undertaking professional qualification training, in accordance with the Local Conditions of Service, a copy of any invoice that is paid in relation to that professional training is required to be forwarded to the Head of HR and Development.

- 8.2.10 Where an officer travels outside the prescribed boundaries of the Council for travel purposes, the journey and method of travel must be approved in advance by the Service manager. The cheapest mode of transport must be used where possible.
- 8.2.11 Where an officer travels direct from home, without first visiting the administrative centre, then the normal mileage from home to work should be deducted in calculating the car mileage allowance payable.
- 8.2.12 In exceptional circumstances, a Service manager can authorise an officer to claim car mileage allowance for travel from home to office. This must be clearly shown on the claim form. Payment will be made through the Payroll with deductions for Income Tax and National Insurance contributions.
- 8.2.13 Officers claiming car mileage allowance shall be insured for business use (i.e. not just social, domestic and pleasure) and have included and maintained in their policy of insurance a clause indemnifying the Council against all third party claims, including those concerning passengers, arising out of the use of the vehicle on official business.
- 8.2.14 It is the responsibility of the relevant Service manager to verify that the appropriate insurance discussed above is in place, along with a valid driver's license, and evidence provided.
- 8.2.15 It should be noted that these regulations apply equally to Members.

PAYROLL FORMS

STAFF FORMS

FIN901	Overtime Form	FIN901
FIN902	Expenses Claim Form	On the front of SharePoint
FIN903	Mileage Rates	On the front of SharePoint
FIN904	Change of Bank Details	FIN904
FIN905	Christmas Club form	FIN905
FIN906	P46 form	Copies held in HR/Payroll
FIN907	Child Care Vouchers	www.computersharevoucherservices.com
FIN908	Cycle to work scheme	
FIN909	Starter Form	On the front of SharePoint
FIN910	Amendment Form	On the front of SharePoint
FIN911	Leavers Form	On the front of SharePoint
FIN912	Pension Pack	www.devon.gov.uk/starter-pack-2.pdf
FIN913	Pension Joiner Form	www.devon.gov.uk/option_form_sept_2011.doc
FIN914	Pension Opt Out Form	www.devon.gov.uk/opting_out_form_sept_2011.doc

MEMBERS FORMS

FIN981	Expenses Claim Form	On the front of SharePoint
FIN982	Expenses Claim Form (paper version)	FIN982
FIN983	Mileage Rates	On the front of SharePoint
FIN984	ICT for Elected Members	?

8.3 Car Loans

Why is this important?

Any loan to an individual carries with it an element of risk on the part of the lender. The lender has to be sure that the person receiving the money can afford to repay it within an agreed timescale. In the case of car loans this is restricted to use for just that, the purchase of a new or approved second hand car. The Council wishes to ensure that its 'interest' in the vehicle being purchased is protected.

Risks:

- The member of staff may be unable to repay the loan;
- The vehicle may not be worth the sale price and hence the Council's interest in it would be reduced;
- If not comprehensively insured the Council's interest in the vehicle is no longer tangible.

Regulations:

- 8.3.1 Car loans shall be made only in accordance with the Car Loan Scheme adopted by the Council and only to **Essential Users**. The value of the car currently in use by the officer seeking a loan will be taken into account when the loan, if granted, is assessed.
- 8.3.2 Car loans will not be granted to applicants who have made, or intend to make, additional financial purchasing arrangements with other persons. The applicant and the Council must have the only financial interest in the vehicle purchased.
- 8.3.3 Loans will be net of a credit guarantee premium and the vehicle inspection fee. Repayments will be by deduction from salary payments.
- 8.3.4 Applicants are required to make a contribution towards the Council's Motor Car Credit Guarantee policy premiums; this policy protects the Council in the event of default and also provides for automatic waiver of the outstanding principal and interest in the event of death. Credit guarantee contributions will be calculated as follows:

Loan Total (Incl. any balance outstanding) x 0.4275% x Term of loan

e.g. Based upon a loan of £1,000

No of years of loan	Contribution
1	£4.28
2	£8.55

3	£12.83
4	£17.10
5	£21.38

Credit Guarantee Contributions are non-refundable even if loans are repaid or replaced before the expiry of the term of the loan.

- 8.3.5 The maximum loan period for cars will be five years. The maximum age of the vehicle at the end of the loan period must not exceed eight years.
- 8.3.6 The maximum loan will be 50% of the applicant's salary, or £9,000 whichever is greater.
- 8.3.7 Loans will not be made to staff for cars they have already acquired.
- 8.3.8 An authentic invoice from the seller of the car must be produced to the Head of Finance prior to the payment of the loan. The fact that a deposit has been paid for the vehicle purchased will not influence an application.
- 8.3.9 All second-hand cars must have an AA or RAC Inspection Report to be paid for by the applicant. If an unsatisfactory report is received the application may be rejected or a re-inspection report required following any necessary repairs. The vehicle must be suitable for the performance of the official duties for which it is required.
- 8.3.10 Until the loan has been repaid the vehicle must not be disposed of without prior consent of the Council. Should the vehicle be sold, the principal and accrued interest is immediately repayable.
- 8.3.11 Cars must be comprehensively insured for business use and officers must supply a copy of their motor insurance certificate to Environmental & Enforcement Manager.
- 8.3.12 If the borrower's Contract of Service is terminated prior to repayment of the loan, the outstanding principal and accrued interest is due in full and any outstanding amounts can be deducted from any salary or Superannuation Refunds due to the borrower.
- 8.3.13 An annual statement of car loan account balance is available on request from the Head of Finance.
- 8.3.14 A member of staff wishing to apply for a car loan can complete the 'Application for loan under Assisted car purchase scheme' form number [FIN970](#). Completed forms should be submitted to the Car Loan Administrator for consideration under the car loan scheme conditions of application.

8.4 Personal Telephone Calls

Why is this important?

Telecommunications are a vital part of the Council's infrastructure. These communication channels can be abused, both in terms of the theft of telephone call time and in the theft of work time whilst making private calls.

Risks:

- Telephone calls time could be stolen, i.e. by not declaring
- Extensive use of telephones for private calls in office hours may represent a theft of time.

Regulations:

- 8.4.1 The making and receiving of personal; telephone calls is a privilege and should be kept to a **MINIMUM**. Personal calls should only be made for urgent reasons and ideally when the officer is clocked out, e.g. lunchtime. It is the employee's responsibility to identify and make payment for all private calls made. Line Managers are responsible for monitoring that employees do not make excessive or inappropriate use of this facility.

Central Telephone System Calls

- 8.4.2 All personal telephone calls must be paid for. ICT will provide call lists quarterly to all staff and VAT at the standard rate must be added.

Mobile Phones and Mobile Devices

- 8.4.3 All personal calls, including voice or data use, are to be reimbursed to the Council in accordance with the supplier's tariff, even if they are made using free time allotted to each phone. ICT will provide call lists monthly to all staff and VAT at the standard rate must be added.

Home Telephones

- 8.4.4 All officers who have their telephone line rental and business calls paid for by the Council are to pay the quarterly telephone bill in full and reclaim the line rental and business calls made. Evidence of bill payment must be provided before any claim is processed. Claims for reimbursement of line rental and business calls are to be made within two months of the date of the telephone bill.
- 8.4.5 Claims not submitted after the two month deadline must be authorised by the Head of HR and Development upon receipt of a satisfactory explanation in writing before the claim will be processed.

Collection of Monies

- 8.4.6 All payments for personal calls should be made to the Cash Desk at Phoenix House or appropriate cash receiving facility at other Council sites. The receipts and related records are to be retained by the Cashiers.

8.5 ICT Auctions

- 8.5.1 All payments for assets purchased from ICT auctions should be made to the Cash Desk at Phoenix House or appropriate cash receiving facility at other Council sites. ICT are to release assets only upon presentation of official receipts for the payment of the asset. The receipts and related records are to be retained by the cashiers

9.0 Income

- 9.1 Setting fees and charges**
- 9.2 Rent reviews and annual increases**
- 9.3 Invoicing**
- 9.4 Income collection**
- 9.5 Postal remittances**
- 9.6 Debt collection procedures and the write off of bad debts**
- 9.7 Refunds**
- 9.8 Government subsidies, grants and claims**
- 9.9 External funding**
- 9.10 Housing advances and council house sales**
- 9.11 Asset sales**

9.1 Setting fees and charges

- 9.1.1 Service Managers shall review all fees and charges levied at least annually. Where increases of charges are recommended they shall be reported to the relevant Policy Development Group, unless authority for delegated decision making has been given to an officer. The effective date must be cited.
- 9.1.2 In some instances statutory notice must be given before new charges can be introduced and Service Managers must consider this and the timing of both PDG and Cabinet meetings to ensure that any changes are lawful.

9.2 Rent reviews and annual increases

- 9.2.1 To ensure invoiced amounts are correct Finance are to be advised immediately of any increases in rent, following rent reviews of a property.
- 9.2.2 Service Managers must notify Finance of any increases so that the system can be set for periodic invoices to recur.. A failure to do so will result in the old rates of charge being levied until Finance are advised of the new rates, potentially losing income for the Council.

9.3 Invoices

- 9.3.1 Where goods or services are provided which are less than the de minimis shown at M in Appendix A, Invoices are only to be raised if a vat tax invoice is requested from a business customer. In all cases, every endeavour must be made to ensure that monies are received **before** providing the goods or services.

- 9.3.2 In terms of customer service, before raising an invoice, service managers must satisfy themselves that:

Is the customer aware of the goods/service provided?
Are they aware and have they agreed the scale of fees?

If not, **do not** proceed! Significant time is spent dealing with disputes, issuing credit notes and writing off amounts that should not have been issued in the first instance! There is also the need to declare output vat, where applicable, to HM Revenue and Customs when raising sales invoices.

- 9.3.4 Service managers are responsible for the prompt raising of invoices associated with the activities of their services. Income for the Council is important as it affects cashflow and the ability to invest our surplus monies to earn interest, assisting budgets. The Council submits vat returns each month and to ensure these returns are accurate sales invoices need to be raised within **no later than 14 days** of the service having been provided. Service managers should ensure therefore that sales invoices are issued **no later than 7 days** after the goods or service have been provided. Requests for the creation of sales invoices should be made via Sharepoint using the proforma provided, which is linked here: [Invoice Request](#)

- 9.3.5 All charges made shall be in accordance with the Council's approved charging policy, tariffs or as agreed by the Head of Finance and shall include VAT at the prevailing rate, if applicable and as required by statute.
- 9.3.6 To assist the Miscellaneous Income Team all service managers will ensure that the invoice raised clearly states the nature of the goods or services provided to the customer and the period covered.
- 9.3.7 Where new services are to be introduced Service Managers must advise Miscellaneous Income and Customer First **before** starting to bill individuals.

Amendments

- 9.3.8 The Head of Finance must be advised promptly where there are changes in the customer's personal details, bank details, amounts or frequency of bills.

9.4 Income Collection

Income is a vulnerable asset. Effective income collection systems are necessary to ensure that all of the income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cash-flow and also avoids the time and cost of administering credit.

Since income collection at the Council can vary in its nature between different services such as leisure centres and social housing, specific procedures will not be addressed here. Rather, it is recommended that each area have their own procedure documents, which have been agreed by the Head of Finance.

Risks:

- Income is incorrect, i.e. the incorrect rate or tariff is charged
- Financial and accounting records are incorrect
- Money owed to the Council is not pursued adequately
- Income is not collected at all
- Income collected is stolen
- Financial and accounting records are not updated correctly
- VAT returns may not be correct

Regulations:

- 9.4.1 Arrangements for the collection of all money due to the Council shall be subject to the approval and control of the Head of Finance.
- 9.4.2 The Head of Finance will, at least annually, review charging tariffs so as to ensure that they reflect current Council policy and reflect an appropriate charge for the goods or services offered and will make recommendations for any changes to the relevant , PDG or Cabinet Member.

- 9.4.3 All receipt forms or books, account forms, till rolls and tickets are to be ordered and controlled in a manner approved by the Head of Finance. All issues of these documents to other services shall be properly recorded and acknowledged.
- 9.4.4 Services drawing receipts or tickets in bulk will maintain a control record indicating issues made, together with signatures acknowledging receipt.
- 9.4.5 The Head of Finance is to be notified promptly of any new, or alterations to existing contracts, leases or other agreements which involve the receipt of money by the Council.
- 9.4.6 An official receipt is to be issued for all cash payments made to the Council. A receipt for any other alternate method of payment will only be issued by request.
- 9.4.7 The official receipt number or other appropriate reference number is to be recorded on all cheques and postal orders received on behalf of the Council.
- 9.4.8 Under no circumstances are personal or third party cheques to be cashed. nor money loaned, out of cash held on behalf of the Council. Any officer in breach will be subject to disciplinary proceedings.
- 9.4.9 At the close of business each day (and for each individual till point) any Council establishments that receive income on behalf of the Council will be required to:
- Take a daily total income reading, which shows the amounts of cash, cheques and card payments received during the working day;
 - Complete a reconciliation of the cash in the till and the total cash figure on the till reading;
 - Add up the total monetary value of all cheques taken and ensure that this matches the total cheque figure on the till reading;
 - Once the cash and cheque amounts have been correctly agreed, a bank paying in slip must be completed and sealed in a cash collection bag (provided by the Council's nominated Security Collection firm), along with the cash and cheques;
 - The sealed cash collection bag must then be placed in the Council's designated safe, immediately.
- 9.4.10 A card payment report is to be generated from the swipe machine and the monetary value of the card payment slips must match the end of day figure. All card payment slips are to be kept by the establishment.
- 9.4.11 Once the banking has been prepared, the float in each till must be checked to ensure that the balance held matches the designated float total. Income must be banked intact and under no circumstances is the float to be taken out of the till before the takings to be banked.
- 9.4.12 All collecting officers must maintain an "unders and overs" record for any discrepancies. Where it is found that there is a discrepancy between the level of float in the till and the designated float total, the "unders and overs" record must be completed immediately and any discrepancies over the amount specified in Appendix A must be reported to the The Audit Team Leader. The Service manager

or his/her representative is required to check the “unders and overs” record on a regular basis and Internal Audit will undertake regular random spot checks.

- 9.4.13 Officers receiving money on behalf of the Council shall keep such records of collections and deposits as the Head of Finance directs.
- 9.4.14 Officers collecting income must not also be involved in the reconciliation of that income to the amounts due. An officer who is not involved in the collection process shall ensure that the money reported as collected, has indeed been banked.
- 9.4.15 Refunds will be issued under appropriate circumstances. If it is determined that money is owed to another party, a refund will be issued only where that party has no other relevant arrears with the Council. Where such arrears exist, the amount owed should be used to reduce the outstanding arrears.
- 9.4.16 Where a charge has been raised in error e.g.. against an unoccupied (void) property, those charges should be cancelled rather than a credit note raised. The effect for the customer is the same. However, since credit notes and cancellations are used under different circumstances, this approach gives a clearer picture of what has occurred.

9.5 Postal Remittances

- 9.5.1 All post must be opened in accordance with the Verification Framework.
- 9.5.2
- 9.5.3 Post is to be opened by Customer First officers based in the Post room. There are exceptions to this, which will be agreed between the Chief Executive, Head of Finance and Management Team, post for HR and CRB notifications are to be opened within HR. Post relating to Planning including Development Control, Building Control and Land Charges is to be opened by Officers from that service area in the Post room.
- 9.5.4 The post is to be opened by at least two officers who will record and witness all remittances received. The remittances and accompanying record must then be sealed prior to removal from the post room.
- 9.5.5 Postal remittances will then be passed to Customer First Cashiers on reception who will be required to sign a receipt to state that they have received the sealed remittances.
- 9.5.6 Where Planning Officers open remittances in the Post room they also complete a daily listing detailing the number of remittances they receive which is given to Cashiers. Planning are then permitted to take the , remittances to check against applications. and to return these payments to the cash desk the same day, who will then check the numbers received.
- 9.5.7 Responsibility for the safe custody of the postal remittances remains with the officer who received such payments until such time as the remittance has been processed and the cash or cheque securely stored in the till.

9.5.8 Under no circumstances are cash and cheques to be held in service areas overnight. Any officer found to be in breach of this Rule will be subject to disciplinary proceedings.

9.6 Debt Collection Procedures and the Write Off of Bad Debts

9.6.1 The control and recovery of debts is the responsibility of the, Head of Finance, as is maintaining adequate bad debt provisions.

9.6.2 No refunds are to be issued for amounts **less than** the de minimis shown at L within Appendix A, unless specifically requested by a sundry debt account payer.

9.6.3 Invoices raised are to be pursued within the defined timescales with the cost centre concerned being regularly informed of recovery progress so as to ensure that further provision of goods or services is stopped until payment is forthcoming.

The prescribed process:

1st reminder letter - 21 days after issuing the invoice

2nd reminder letter - 28 days after issuing the invoice

Final letter - 35 days after issuing the invoice

Instructions to a debt collection agency - 42 days after issuing the invoice

9.6.4 Where the debt collection agency is experiencing problems collecting the outstanding monies the relevant service manager is to be consulted. The nature of the debt has to be considered.

- How large is the debt?
- Is it a one off single invoice?
- Is it an invoice relating to a potentially recurring item?
- Does it involve an individual with special needs?

These factors together with the overall likely cost/benefit need to be considered before referral to Legal to take legal proceedings against the individual.

Legal Action

9.6.5 Where the item is referred to Legal their professional advice is to be considered by the Recovery Team and the Service Manager who owns the debt..

Disputed Invoices

9.6.6 Instructions to withhold recovery action on an outstanding account must be made in writing and signed by the relevant Service manager. The written instruction is to include the period of suppression, **normally not to exceed a maximum period of one month**, and the reason for withholding action. Once the period of suppression has ceased the recovery team will be able to commence action against the Debtor

Cancellation of Invoices

- 9.6.7 Where a debt is to be removed, Service Managers must identify what is needed:-
- Service billed incorrectly: Credit note issued and replacement invoice for the service/goods provided.
 - Service billed correctly, but inability to recover: The debt written off as non recoverable after all possible recovery exhausted.

Head of Finance must be informed without delay to ensure Customer Service is maintained and recovery of vat can take place.

- 9.6.8 Cancellation of invoices raised in error must be approved by the relevant Service manager.
- 9.6.9 Debts can only be written off by the Recovery Team and under no circumstances should the write off of bad debts be processed by the service area.

Write off of Bad debts

- 9.6.10 Copies of the invoices rendered to debtors and all supporting documents in respect of any debt due are to be held in accordance with the Council's document retention guidelines for use by the Recovery Section and Legal Services department if the debtor is in default.
- 9.6.11 The writing off of any due debt (or cumulative total debt from one person) shall be authorised in accordance with the limits set out in table F in Appendix A.
- 9.6.12 The Head of Finance is to be informed of any outstanding income relating to the previous financial year as soon as possible after the 31st March. This includes outstanding income data recorded on independent billing and collection systems (both manual and computerised) held outside Finance Services.

Refunds

- 9.6.13 Where a small cash amount has been received, equal to or below the de minimis level shown at Appendix A, then a refund can be made to the individual by cash on request.
- 9.6.14 In cases where customers have overpaid amounts in excess of the de minimis shown at Appendix A, refunds can only be made after approval by Service Managers subject to the following principles:
- Payments that were originally made by electronic cards should be refunded on the same card.
 - If the original payment was received by a cheque or BACS then any refund due should be made by BACS refund in the interests of security and costs. All bank

details received from customers must be in writing, to protect the Council, and the confidential data must be protected.

9.7 Government Subsidies Grants and Claims

Why is this important?

Grants and subsidies are a significant source of finance to the Council. As such it is essential that the Council receives all that is due to it and on time.

Risks:

- Potential income from grants may not be received or received late the Council thereby having to meet any shortfall in income or cashflow;
- Grant claim forms may be incorrectly completed;
- The Council could be criticised by external audit for failing to claim and/or record grant income correctly.

Regulations:

- 9.7.1 The Head of Finance is to provide advice on the methods available for the funding of resources such as grants from central government and borrowing requirements and is to assist in the allocation of resources to service managers.
- 9.7.2 The Head of Finance shall be responsible for completion of all forms relating to subsidies, grants and claims submitted to Government Departments on behalf of the Council.
- 9.7.3 The Head of Finance shall ensure that subsidy, grant and claim forms are forwarded to the appropriate Government Department by the due date.
- 9.7.4 The Head of Finance shall nominate specific officers to complete various subsidy, grant and claim forms and it shall be their duty to deal with these forms expeditiously using the most accurate information available.
- 9.7.5 Copies of subsidy, grant and claim forms, together with adequate supporting working papers shall be prepared and retained and are to be made available for inspection by internal and external auditors, if requested.
- 9.7.6 Any payment by or income due to the Council arising from a submitted subsidy, grant or claim form shall be made known to the Head of Finance and the relevant amount recorded for accounting purposes.
- 9.7.7 If the grant is ring fenced for a specific type of expenditure then it must only be used for that purpose and if capital in nature then only utilised for capital expenditure.
- 9.7.8 If grant conditions are not met within the defined period stipulated and the grant is repayable then repayment to the issuing body must be made without undue delay.

9.8 External Funding

Why is this important?

External funding is potentially an important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Local Councils are often encouraged to provide 'seamless' service delivery through working closely with other service providers from the charitable, not-for-profit and private sectors.

Funds from external agencies, such as the National Lottery, can provide additional resources to enable the Council to deliver services to the local community. However, in some instances although the scope for external funding has increased, such funding can be linked to tight specifications and may not be sufficiently flexible to link to the Council's overall plan.

Risks

- Statutory requirements are not complied with;
- Funds are acquired in respect of policies that have not been approved by the Council;
- The Council signs up to long term agreements without securing match funding

Regulations:

- 9.8.1 The Head of Finance is to ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- 9.8.2 The Head of Finance is to be made aware of any prospective match funding arrangements and to ensure that the funding requirements are considered prior to entering into the agreements and future revenue budget reflect these requirements.
- 9.8.3 The Head of Finance shall ensure that the Audit Commission requirements with regard to external funding are met.

9.9 Housing Advances and Council House Sales

Why is this important?

The Council maintains a number of mortgages mainly with ex-Council tenants. It also continues to sell its housing stock to tenants under the Right to Buy legislation. Sales are often at heavily discounted rates and, the scheme is open to abuse.

Risks:

- Property could be purchased by people who do not qualify for the discounts and then sell it on at significant profit within a relatively short period;
- Property could be sold at a price lower than the market rate;
- Property could change hands without the Council having received payment for it;
- Ex-tenants could avoid having to pay service charges for which they are responsible.

Regulations:

- 9.9.1 The Head of Finance shall be responsible for the administration and collection of mortgage monies due to the Council.,. It is assumed that no further advances will be made.

Sale of Council Houses

- 9.9.2 Applications for the buying of Council Houses shall be subject to the provisions of the Housing Act 1985 as amended by Leasehold Reform, Housing and Urban Development Act 1993 and any subsequent amending legislation.
- 9.9.3 The Head of Housing & Property Services shall be responsible for co-ordinating the processing of applications made under the Right to Buy or the Rent to Mortgage schemes.
- 9.9.4 The Head of Housing & Property Services shall be responsible for arranging the valuation of a property to be sold and notifying an applicant of the offer price, taking into account the applicable regulations discount .
- 9.9.5 When the applicant accepts the offer price, the Head of Housing & Property Services shall pass the applicant's documents to the Legal Section who will be responsible for the conveyancing and the preparation of any restrictive covenants affecting the property.
- 9.9.6 After approval of the draft transfer or lease by the purchaser's solicitor, the Legal Services Manager will finalise the legal work to completion.
- 9.9.7 The Legal Services Manager, in liaison with the Head of Finance and Head of Housing Services, shall ensure that any rent arrears have been fully paid before the date of completion. If there is a default of payment, completion is not to take place.
- 9.9.8 Upon completion, the sum due from the purchaser will be exchanged for the conveyance and the money received paid in immediately.
- 9.9.9 The The Legal Services Manager shall notify the Head of Housing & Property Services and the Head of Finance that completion has taken place and provide details of the relevant income. Housing and property maintenance records shall be

amended accordingly and the Head of Finance will arrange for the relevant accounting entries to be made.

- 9.9.10 Service charges for leased properties are to be calculated in accordance with the relevant legislation.
- 9.9.11 If a leasehold property is sold, the Head of Housing & Property Services shall commence ground rent and service charge records and request the Head of Finance to ensure that the periodical income is received on the due dates.

9.10 Asset Sales

- 9.10.1 Where an asset is sold and the initial cost was less than the de minimus shown at H2 Appendix A, the sale proceeds will be treated as **Revenue** and coded to the relevant income code..

See 12.5 for the provisions relating to the sale of capital assets.

10.0 Stock (Inventory)

10.1 Stock (Inventory)

10.2 Stocktakes

10.3 Write Off of Obsolete and Damaged Stocks

10.1 STOCK (INVENTORY)

Why is this important?

The Council holds stock and inventory whose value is considerable. As such these assets need to be safeguarded from loss. In addition, the costs of holding large quantities of stock are high and so it must be used efficiently in the delivery of services.

Risks:

- Loss of stock/inventory would result in a direct adverse financial effect on the Council. This could happen for any of the following reasons.
 - Goods could be lost
 - Goods could be stolen
 - Goods could be sold below the correct selling price
- The stores could be holding more inventory than is necessary. This would increase the cost of holding and also increase the likelihood of obsolescence

Regulations:

- 10.1.1. Each Service manager shall designate officers responsible for the custody and physical control of the stock in their departments.
- 10.1.2. The Service manager shall ensure that stock/inventory is not carried in excess of reasonable requirements.

Issuing of stocks

- 10.1.3 Materials are only to be issued to persons authorised to receive those materials. Requisition notes or other approved documents are to be used bearing the signature of the appropriate authorised officer.
- 10.1.4 All requests for stores materials must be made to the stores officer responsible for the control and issuing of those stores and materials.
- 10.1.5 The documents and method of issuing stores materials must be approved jointly by the Service manager and the Head of Finance. Internal Audit will periodically test that the correct procedures are being followed.
- 10.1.6 Stores officers are to maintain accurate records of all issues and receipts in the prescribed form.

10.2 Stocktakes

- 10.2.1 Any service manager that is responsible for a quantity of stock must arrange for a stocktake to be carried out at least annually. This should be carried out at or in close proximity to the accounting year-end (31st of March), since the data will be used in the annual accounts. The only exception to this rule is where a continuous stocktake system is in operation. This might be where a service carries out a count

of 25% of its stock lines each quarter, meaning that 100% are covered within each 12 month period. Any such arrangement must be agreed in advance with the Head of Finance (form [FIN1003](#)).

- 10.2.2 The stocktaking exercise should be undertaken by a group of officers. This group should include staff from outside of the store i.e. those that are not responsible for the inventory on a day-to-day basis.
- 10.2.3 Those conducting the stocktake must complete [FIN1001](#), recording the quantity counted for each line of stock and identify any obsolescent or damaged items of stock.
- 10.2.4 Internal auditors should be involved on the day of the stocktake. Their role is not to take part in the stocktake, but to check a sample of completed stock sheets and carry out a second count of them. This will mean that Internal Audit can give an opinion as to the level of assurance that can be taken from the stocktake results.
- 10.2.5 Stocktaking sheets must clearly show details of all surpluses and deficiencies identified during the stocktakes. All discrepancies are to be investigated and pursued to a satisfactory conclusion before adjusting entries are approved.
- 10.2.6 Random stock checks may also be carried out by Internal Audit. This can occur at any time of year and without advance warning.
- 10.2.7 Immediately following the end of the financial year each Service manager shall certify a list of all commodities (form [FIN1002](#)) held at 31st March, together with a valuation of those commodities at the lower of cost or net realisable value (the net amount of monies the Authority might raise in the event of selling the item) . These lists must be submitted to Finance no later than the ninth working day of April each year.
- 10.2.8 The Head of Finance shall arrange for stock control systems to be reconciled to the Council's accounts regularly at an appropriate frequency, and annually at 31st March as a minimum.
- 10.2.9 Where a discrepancy is identified between the stocktake results and the value held in the accounting system, the form [FIN1004](#) must be signed/approved in accordance with the thresholds shown in Appendix A.
- 10.2.10 At the point of Finance receiving the stock value listings, they should be forwarded to the officer responsible for insurance cover.

10.3 Write Off of Obsolete and Damaged Stocks

- 10.3.1 Whilst held in stores, stock/inventory may become damaged or obsolete. In such circumstances, the value held in the accounts should be adjusted to reflect this. This is known as writing off or writing down and can only be done with the approval of the Head of Finance.

- 10.3.2 Where obsolete or damaged stock is identified the form [FIN1004](#) must be signed/approved in accordance with the thresholds shown in Appendix A.
- 10.3.3 Proposed write-offs shall not be separated to avoid the approval and reporting limits cited at Appendix A.

11.0 Taxation

11.1 Value added tax (VAT) basic guidance

11.2 Tax points - vat returns

11.3 Construction industry scheme

11.4 Responsibility

11.1 Value Added Tax (VAT)

Why is this important?

Section 33 of the VAT Act 1994 enables Mid Devon District Council to recover Input Tax on most expenditure. MDDC also have a duty to pay to HMRC the VAT collected on sales income.

Risks:

Penalties will be levied by HMRC if we fail to account for Vat in accordance with legislation.

Regulations:

Expenditure

- 11.1.1. All invoices due for payment by the Council are to be addressed to Mid Devon District Council. All expenditure must be supported by valid documentation (If over £250 a VAT invoice) to support the Authority's claim of input VAT. Where VAT invoices addressed to Mid Devon District Council have not been received Officers must request these from suppliers. (See Appendix B VAT Guidance for further details).
- 11.1.2. VAT receipts must be obtained and forwarded to the Payroll Manager to support claims for VAT on mileage expenses.

Sales Income

- 11.1.3. Sales invoices should be raised wherever possible before the goods or services are provided – See Invoices 9.3 above.
- 11.1.4. Where goods or services are provided in advance Finance must be advised within **7 DAYS** to raise an invoice. The invoice must be raised within 14 days or the original supply date will become the tax point and has implications for our VAT returns.
- 11.1.5. Full details of the transaction must be provided to Finance (debtors@middevon.gov.uk) to ensure that the correct vat treatment of the sales invoice is made.
- 11.1.6. Appendix B contains more detailed guidance on vat matters.

11.2 Tax Points – VAT returns

Why is this important?

VAT returns are required to be submitted monthly, VAT returns are filed online and the submission date is the 7th of the second month following that of the return, i.e. the VAT return for period 1st – 30th June is to be completed by 7th August. If a VAT return is late HMRC could impose a penalty. As the majority of our VAT returns are

repayment returns it is beneficial to complete the VAT return as promptly as possible to improve our cash flow. It is important that all debtor and creditor invoices are recorded in a timely manner to ensure that any VAT is claimed or paid in the correct period.

Risks:

- HMRC can impose a penalty if we fail to submit a VAT return by the due date.
- HMRC can impose a penalty if we fail to account for tax points correctly and account for VAT in an incorrect period.
- Supporting documentation is not retained to support tax point claims.

Regulations:

- 11.2.1. The Head of Finance is responsible for ensuring that the monthly VAT return is completed and submitted to HMRC by the submission deadline. Before submission the Vat return working papers will be reviewed and signed by the preparing Officer and a reviewing Officer.
- 11.2.2. Where HMRC makes a change in a VAT rate it is important that supplies made before and after the change are made at the correct rate
- 11.2.3. Both invoices paid and invoices raised are to be kept within Document Retention Guidelines, either in hard copy or stored electronically.
- 11.2.4. All VAT is accounted for through the Councils VAT nominal codes, including any adjustments to VAT. These nominal codes will be balanced monthly as part of the VAT Return to ensure on-going VAT liabilities are accurate.

11.3 Construction Industry Scheme

What are construction operations?

CIS covers construction operations carried out in the UK. The rules of the scheme define the types of work that are classed construction operations. But as a general rule, the scheme includes almost any work that's done to a:

- permanent building
- temporary structure
- civil engineering work or installation

Some examples of the types of construction work that are covered by the scheme include jobs like:

- site preparation
- general construction - bricklaying, roofing, plastering and so on
- alterations and extensions
- repairs and refurbishment
- decorating
- dismantling work
- demolition

You can find out more about the types of work that are covered by the scheme in HMRC's Construction Industry booklet CIS340 (see link below). The scheme defines 'construction' as a term with a broad meaning that includes:

- building things
- making things
- putting things together
- assembling things

Some jobs are specifically excluded from the CIS. They include:

- professional work, like architects' services
- scaffolding hire - with no labour
- fire alarm installation
- carpet fitting
- manufacturing things like windows, blinds and shutters off-site
- making and putting up signs
- delivering materials

You'll also need the following information about the subcontractor:

- their name, or the name of their business or company
- their UTR
- the partner's name if they're a partnership
- their National Insurance number (if you know it) if they're a sole trader
- the partner's UTR or National Insurance number if they're a partnership (or, if the partner's a company, that company's UTR or company registration number)
- their company registration number if they're a company

HMRC's verification of the subcontractor will advise on the payment status, this will be one of three possibilities:

- gross - meaning you don't make any deductions
- net of deductions at the standard rate (20 per cent)
- net of deductions at the higher rate (30 per cent), because the subcontractor isn't registered or couldn't be verified for some other reason

Making deductions

To make a deduction from a subcontractor's payment, start with the total - gross - amount of the subcontractor's invoice and then take away:

- any VAT they've charged
- the amount of any Construction Industry Training Board (CITB) levy they've paid

Then take away the amount the subcontractor actually paid for each of the following (including VAT if they're not VAT registered):

- materials
- consumable stores

- fuel used - except for travelling
- plant hire
- manufacturing or prefabricating materials

Finally, apply either the standard or the higher rate percentage to the amount that's left to work out how much to deduct.

Each statement must include:

- the name of your business and your employer tax reference
- either the date when the tax month in which you made the payment ended, or the date when you made the payment
- the subcontractor's name and UTR
- the subcontractor's verification reference number if the deduction was at the higher rate
- the gross amount before you made the deduction but after you'd taken off any VAT, CITB levy, materials costs and so on
- the cost of any materials you took off before making the deduction
- the amount you deducted

Regulations:

- 11.3.1. The Head of Finance is responsible for providing information to HMRC in relation to the Construction Industry Tax Deduction Scheme as required and advising Heads of Service of their responsibilities under the scheme.

Officers must have consideration of the Construction Industry scheme and liaise with Procurement before suppliers are set up on our systems.

11.4 Responsibility

- 11.4.1. Heads of Service are responsible for ensuring that the appropriate controls and procedures are operated within their service areas in relation to taxation issues. (See also 5.2 above relating to the Use of Consultants and Employment Status).

12.0 Asset Management

12.1 Land and buildings property register

12.2 Fixed asset register

12.3 Equipment register

12.4 Additions of assets

12.5 Disposals of assets

12.0 Asset Management

Why is this important?

The Council holds assets in the form of land, property, vehicles, equipment, furniture and other items. It is important that assets should be safeguarded and used efficiently in the delivery of services, and that there should be arrangements for the security of those assets. Up to date registers are a prerequisite to maintain proper fixed asset accounting and sound asset management. These include:

- Land & Property Register of all council owned land and buildings (See 12.1)
- Fixed Asset Register (FAR) to ensure a proper fixed asset accounting (See 12.2)
- Departmental equipment registers (See 12.3)

Risks:

- Holders of equipment and furniture may be unaware that items have been lost or stolen without a record of all such items being on hand;
- The Council's insurers may reject claims to replace lost or stolen items if the Council cannot demonstrate that it maintains adequate inventory records;
- Assets could be used for non-council business;
- Assets are not available when required in the provision of a service;
- Assets are lost or stolen;
- Assets may be acquired without prior approval, for which there is no use and/or on financially unacceptable terms;
- Assets could be sold when there remains an operational need for them;
- Assets could be sold for less than the market or expected residual value;
- Assets could be disposed of to officers, members or others at no, or very little cost, which could be construed as tantamount to theft.

12.1 Land and Buildings Property Register

Regulations:

- 12.1.1 The Land & Property Gazetteer Management System must hold all Land and Buildings owned by MDDC.
- 12.1.2 When any new land plots are identified this needs to be added to the database.
- 12.1.3 When any land plots or buildings are sold/purchased they need to be removed from / added to the database.
- 12.1.4 All title deeds to such property shall be kept secure, under the control of the Head of HR and Development.

12.2 Fixed Asset Register (FAR)

- 12.2.1 It is the responsibility of the Head of Finance to set policies to ensure that the Councils assets are managed in an efficient, effective and economic way.

- 12.2.2 The Council shall maintain an asset register to include all land, buildings, plant and equipment owned or subject to a finance lease subject to the thresholds shown at table H 'Equipment Registers' in Appendix A. The register shall accurately record acquisitions, disposals (either by sale or transfer of ownership). The Fixed Asset Register will therefore only hold assets previously capitalised or new asset additions whose individual class is over the de minimis.
- 12.2.3 All assets owned by the Council are to be valued in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.
- 12.2.4 The FAR is the responsibility of Finance to maintain. However Service Managers are expected to advise Finance throughout the year of changes to these assets (within 2 weeks of any change), so that amendments can be reflected in the FAR using form [FIN601](#).
- 12.2.5 Asset sales including Council House Right-to Buy (RTB) and Land or Property sales will be advised promptly by Legal to the Head of Finance on an asset disposal form, [FIN602](#). The Head of Housing will also arrange for a memo of the RTB sales to be forwarded to the Head of Finance.
- 12.2.6 Asset purchases subject to the di-minimis referred to in 12.2.2 above, need to be promptly advised by responsible service managers at the earliest opportunity using form [FIN601](#) so that these changes can be picked up continuously throughout the year.

12.3 Equipment Registers

- 12.3.1 Registers of all vehicles and equipment belonging to or in care of the council with a replacement value of greater than the thresholds shown at table H 'Equipment Registers' in Appendix A will be prepared and maintained by the relevant Service Manager.
- 12.3.2 The registers shall be the responsibility of the responsible Service Manager in a form approved by the Head of Finance. Please see proforma example [FIN603](#). A register of all ICT equipment will be held by the Head of ICT.
- 12.3.3 Each Service manager will arrange for the inventory of the physical assets to be checked at least annually and certify the inventory to that effect.
- 12.3.4 The Head of Finance or his/her representative will, at all reasonable times, have access to the property of the Council and may make such checks and tests as he/she deems reasonable and necessary.
- 12.3.5 Council property including ICT equipment will not be used for private purposes without the express approval of the relevant head of Service Any officer found to be in breach of this Rule will be subject to disciplinary proceedings.
- 12.3.6 All property belonging to the Council, will so far as is practicable, be marked in a suitable manner as being the property of the Council.

- 12.3.7 In the event of items of equipment becoming obsolete or surplus to requirements, and if the value exceeds £500, then the disposal should be by means of competitive tender.
- 12.3.8 All Council land, buildings, vehicles, or items of plant or equipment are to be kept under secure arrangements at all times. Each Service Manager is responsible for ensuring the adequacy of the security arrangements.
- 12.3.9 No unauthorised private use is permitted of any land, buildings, vehicles or items of plant or equipment irrespective of whether it is owned by, or leased to, the Council. Any officer found to be in breach of this Rule will be subject to disciplinary proceedings.
- 12.3.10 All buildings, vehicles, plant or equipment shall be appropriately insured. Any instances of loss or damage to any buildings, vehicles or items of plant or equipment must be reported to the relevant Service manager and the Head of Finance. The Service Manager is responsible for ensuring that any losses are recorded in the appropriate equipment register.

12.4 Additions of Assets

- 12.4.1 Service Managers must secure best value for money for the Authority on all purchases of assets. Purchase or the leasing of land, buildings and equipment shall be within overall budget provision and the Head of Finance will decide on the appropriate method of financing.
- 12.4.2 All purchases or leasing of land and buildings shall be on the best financial terms that can be obtained for the Council. The purchasing or leasing of land and buildings is to be in accordance with the Council's Procurement policies (See Chapter 5).
- 12.4.3 Lessees and other prospective occupiers of Council land or buildings are not allowed to take possession of, or enter the property, until a lease or agreement has been signed.
- 12.4.4 No purchase or leasing of land and buildings shall be undertaken without consideration of:
- i) current and anticipated usage; and
 - ii) consideration of the other availability of owned existing land and buildings. The appraisal should take into account the economic benefits of renting rather than purchasing or leasing. The appraisal should also take into account a full appraisal of the alternative acquisition and use.
- 12.4.5 It is the responsibility of the Service manager to notify the Head of Finance of any acquisitions of, or disposals of, assets immediately to ensure that the asset register is updated in a timely manner. Insurance requirements, must be amended immediately if necessary..

12.4.6 Records must demonstrate that the income received from the disposal of an asset has been properly accounted for. Appropriate accounting entries are to be made to remove the value of the land and/or buildings from the Councils records and to include the sale proceeds.

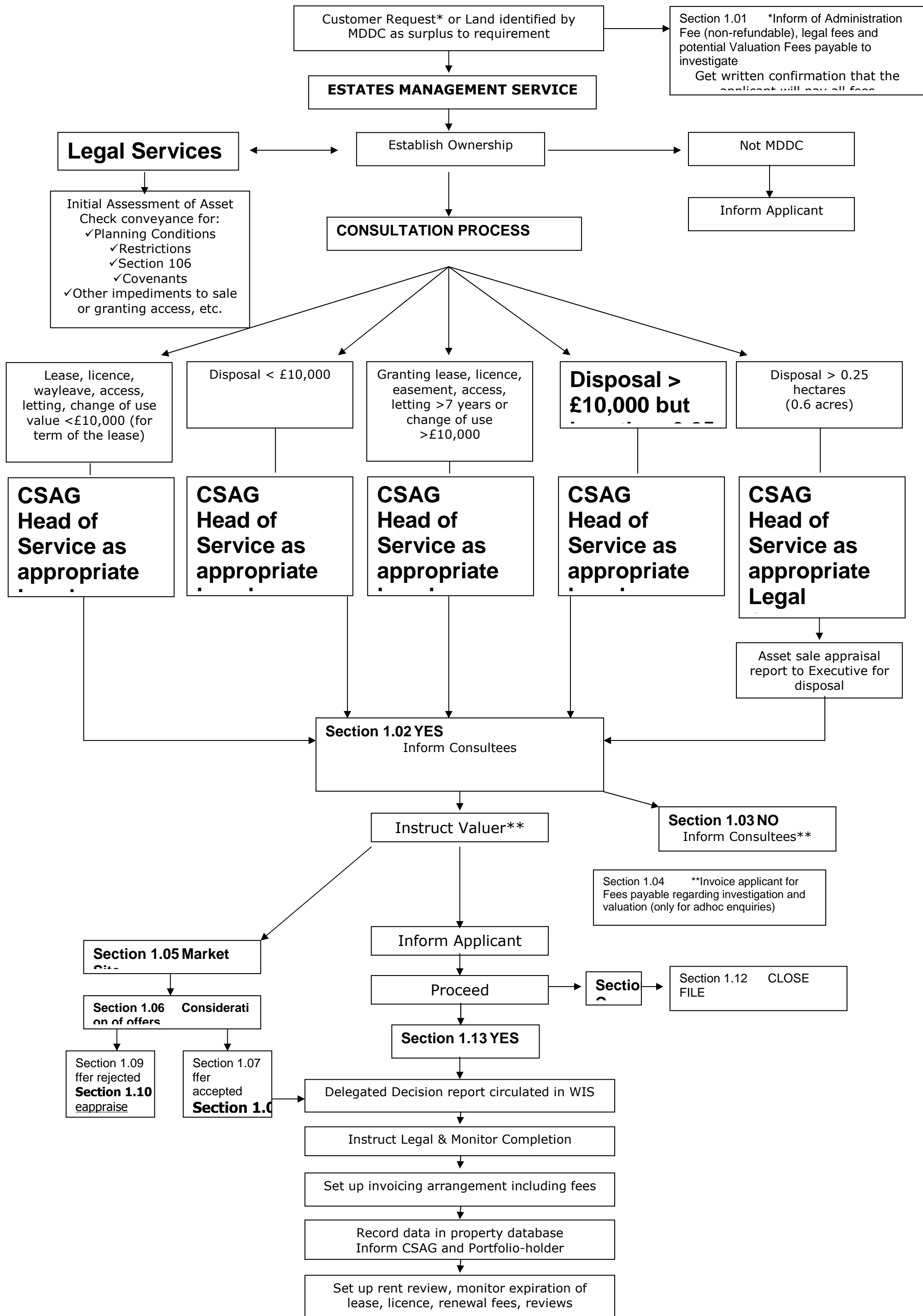
12.5 Disposal of Assets

When assets are found to be surplus to requirements, and the Council takes the decision to dispose of them, they must be disposed of in a manner that ensures the Council receives the maximum sale value but also in accordance with regulations below:

- 12.5.1 Prior to disposal the relevant Service manager must check to confirm that the asset is owned by the Council and that the Council is free to dispose of it. Some Council assets, which were purchased initially, may subsequently have been included in a bulk lease financing arrangement and may not be the Council's to dispose of.
- 12.5.2 The market value of the asset being disposed of must have been established and the disposal has been approved by Management Team. Where the item(s) are valued at £500 or less it is the Service manager's responsibility to ensure that the best possible price is obtained. even if the asset is scrapped..
- 12.5.3 Competitive tenders are to be sought for any item of equipment valued at over £500 and it shall be the responsibility of the Service manager to obtain the best possible price, having regard to the likely disposal cost. Land or buildings should be valued by a qualified valuer to ensure that these assets are sold at their market value and at arm's length where transactions take place between the General Fund and Housing revenue Account.
- 12.5.4 The Service manager will be required to follow the tender process set out in Procurement (See Chapter 5) and any evidence and/or documentation relating to the transaction must be kept in accordance with the document retention policy.
- 12.5.5 On acceptance of the highest offer, the purchaser must pay the Council and tender a Council official receipt before the item is released.
- 12.5.6 Records must demonstrate that the income received for disposal of an asset has been properly accounted for. Appropriate accounting entries are to be made to remove the value of the asset from the Council's records and to include the sale proceeds if applicable.
- 12.5.7 Any equipment register record relating to the vehicle or item of plant or equipment disposed, is to be endorsed with the date of disposal and the receipt number for the income received.
- 12.5.8 It is the responsibility of the Service manager to notify the Head of Finance of any acquisition, or disposal of, assets within two weeks of the date of acquisition or disposal to ensure that the asset register is updated in a timely manner.

12.5.9 All property sales up to £50,000 must be approved) by the Capital Strategy and Asset Management Group (CSAG) (prior to the sale). This multi stage process, agreed by Members, is depicted below:-.

DISPOSAL, ACCESS RIGHTS, EASEMENTS ETC – LAND AND PROPERTY



13.0 The Capital Programme

13.1 Selection and Compilation of the Capital Programme.

13.2 Capital Strategy Asset Group.

13.3 Budgetary Control of the Capital Programme.

13.4 The Prudential Code.

13.5 Utilisation of Capital Receipts.

Introduction

Capital expenditure differs from revenue expenditure in several ways, and falls into the following general categories:

- the purchase or construction of an asset;
- the enhancement of an asset; and
- grants for capital purposes.

Council assets include land, buildings, vehicles, plant and equipment. The Council makes grants for capital purposes such as Private Sector Housing Grants (e.g. Disabled Facilities Grants & Empty Homes Grants) which are classed as capital expenditure. Disabled Facilities grants are mandatory whereas Empty Homes grants are not.

Capital expenditure is often of high value and the benefit is expected to be spread over a number of years. Revenue expenditure refers to the annual running costs relating to the provision of a service.

13.1 Selection and Compilation of Capital Programme

Why is this important?

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 and equipment or vehicles. Capital assets shape the way services are delivered and create financial commitments for the future in the form of financing costs and ongoing revenue expenditure.

The Government places controls on the financing capacity of the Council through the Prudential Framework and Indicators. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Risks:

- The Council could commit itself to capital projects for which no funding is available;
- The final cost of a capital scheme could be considerably higher than that estimated at the outset;
- The council may spend more on capital schemes than it is legally allowed to.

Capital Programme and New Schemes Fund Initiatives

13.1.1 Each year, the Head of Finance will prepare the Medium Term Financial Plan (MTFP). This looks at the current year and the following four years in respect of the Capital and Revenue Budgets. These budgets will comply with the Prudential Code.

13.1.2 Service Managers will prepare provisional estimates for each of their services for each of the next four years of proposed expenditure on capital schemes, including

any associated capital income. Consideration will be given to any additional revenue base increases (e.g. Support & maintenance increases for new ICT systems) or additional revenue income (e.g. additional leisure income for a spend to save project). The Head of Finance will specify the form these estimates should take and the timetable for their submission. See [FIN604](#)

- 13.1.3 All capital proposals will be scrutinised by the Head of Finance and the Capital Accountant undergo a project appraisal and a capital bid [FIN604](#) form, constituting the business case, must be prepared for consideration by the Capital Strategy and Asset Management Group (CSAG).
- 13.1.4 Management Team will consider the provisional capital programme as part of the MTFP. After making any necessary amendments, the Head of Finance will submit to Cabinet the fully funded Capital Programme in conjunction with the revenue budget (that will include any revenue implications of projects included within the Capital programme). Both Capital & Revenue Budgets will be ratified at full council where the final budgets will be agreed and the Council Tax will be set.

13.2 Capital Strategy and Asset Group

- 13.2.1 The Head of Finance and Property Services shall co-ordinate the work of the Capital Strategy Asset Management Group (CSAG) and shall report the Group's recommendations to Management Team and the Cabinet as appropriate..
- 13.2.2 The Capital Strategy and Asset Management Group shall comprise those officers who are responsible for delivering schemes within the Capital Programme.
- 13.2.3 The Capital Strategy and Asset Management Group are to meet at least quarterly to ensure that a corporate view of the Capital Programme is taken in accordance with corporate objectives.
- 13.2.4 The responsibilities of the Capital Strategy and Asset Management Group are:
- - To monitor the progress of schemes within the Capital Programme;
 - To amend stage and completion timings, if necessary;
 - To ensure the estimated and final cost of schemes are within approved Capital Programme limits;
 - To prepare reports for Management Team and the Cabinet as required;
 - To evaluate scheme performance;
 - To consider the sale of capital assets;
 - To evaluate requests for purchase of capital assets

13.3 Budgetary Control of the Capital Programme

- 13.3.1 Service managers are to ensure that all capital transactions are carried out in accordance with current legislation and Government guidelines. Capital works are only to be undertaken in accordance with the approved Capital Programme of the Council. The definition of 'capital' will be determined by the Head of Finance having

regard to Government regulations and accounting requirements and de minimis levels £k referred to in table H 'Equipment Registers' in Appendix A

- 13.3.2 Credit arrangements, such as leasing , if required for a capital asset, are to be arranged through the Head of Finance.
- 13.3.3 Officers responsible for schemes where external grants are available are to ensure that those grants are claimed in the correct manner and at the proper time and that no loss occurs to the Council.
- 13.3.4 The Head of Finance must be consulted on the funding or on any financial implications arising from proposed capital transactions. The Cabinet must approve any additional bid for capital funding or borrowing approval not anticipated in the Capital Programme as extra borrowing may create further commitments to financing costs.
- 13.3.5 The officers responsible are to ensure that any overspending on a scheme is met by savings within other schemes in the Capital Programme.
- 13.3.6 The Head of Finance shall be responsible for reporting to the Council on financial matters associated with the Capital Programme. The Statutory Report required under the Prudential Code and Housing Act 2003 shall be presented to the Cabinet by 30th June each year for subsequent approval by the Council. The Report shall state, inter alia:
 - The method of funding capital expenditure during the previous financial year
 - The actual capital expenditure during the previous financial year
 - Any contributions received from outside bodies

13.4 The Prudential Code - Impact on financing of capital projects

- 13.4.1 The Prudential Code, developed by CIPFA applies to all Local Authorities. Local authorities are required by legislation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.
- 13.4.2 The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable.
- 13.4.3 The Prudential Code requires that the capital programme can only be financed by one or more of the following means:
 - a) By using capital receipts generated by the sale of capital assets such as land and buildings.
 - b) By making a revenue contribution to capital (RCCO) which is a real charge to the General Fund or Housing Revenue account.
 - c) By using capital grants unapplied where any conditions associated with the grant have or will be met in full.

13.4.4 If monies are borrowed from an external financial institution the Council still has to meet its capital financing obligation as shown above at 13.4.3. If this cannot be met in full in the first year then this creates a Capital Financing Requirement (CFR). The Authority must make a Minimum Revenue Provision, which is a real revenue charge, similar to a revenue contribution to capital (RCCO), against any CFR that it has at 31 March.

13.5 Utilisation of Capital Receipts

13.5.1 Capital receipts, above the de minimis shown at H2 Appendix A, derived from the sale of land and buildings can only be used to finance capital expenditure.

14.0 Banking and Treasury Management

14.1 Banking arrangements

14.2 Treasury management policy

14.3 Investments

14.3 Loans

14.4 Loans to external bodies (including soft loans)

14.1 Banking Arrangements

Why is this important?

All the Council's income and expenditure is directed via its bank. Every day many transactions take place between the Council, its customers and the Council's bankers. Bank accounts, therefore, are a high risk in terms of their exposure to fraud or error. As a result tight control over setting them up, maintaining them and dealing with the transactions that flow through them is required.

Risks:

- Bank accounts could be opened in the name of the Council with the aim of perpetrating a fraud;
- Unauthorised persons could gain access to the Council's bank account and carry out fraudulent transactions;
- Banking instruments, e.g. cheques, money orders etc. could be stolen and used to steal money from the Council's bank account;
- Fraud or error could go undetected or the investigation could be seriously delayed if bank reconciliations did not take place or were late;
- The Council would be heavily criticised by the external auditors if the bank reconciliation was not up to date and accurate.

Regulations:

14.1.1 Only the Head of Finance together with a member of Finance may close, open or amend the conditions relating to the operation of the Council's bank accounts. All bank accounts are to be in the name of Mid Devon District Council.

14.1.2 All cheques shall be ordered only on the authority of the Head of Finance, who shall ensure that secure arrangements are made for their safe custody.

14.1.3 Cheques and payment forms in four classes of authorisation, drawn on the Council's banking accounts, shall bear signatories as follows:

- **For payments not exceeding £1,000:**
One authorised signatory (facsimile or manuscript)
- **For payments not exceeding £10,000:**
One authorised signatory (facsimile or manuscript)
- **For payments not exceeding £49,999:**
One authorised signatory (facsimile or manuscript)
- **For payments of £50,000 or more:**
Two authorised signatories (at least one of which must be manuscript).

14.1.4 Both the Chief Executive and the Head of Finance, acting jointly or independently shall have the authority to cancel the signature authorisation of any officer if they or

either of them considers such action necessary or desirable; in which event the officer effecting the cancellation shall notify the Council's Bankers without delay.

14.1.5 Crossed cheques shall only be opened with the express approval and countersignature of the Head of Finance or an authorised cheque signatory.

14.1.6 The Head of Finance shall ensure, as far as practical, the separation of staff duties so that:

- a) the checking and approval of creditors' invoices, benefits, salaries and wages;
- b) the control of cheques;
- c) the preparation of cheques;
- d) the signature or alteration of cheques;
- e) the despatch of cheques;
- f) the entries in cash accounts;
- g) the reconciliation of bank balance;

are the responsibility of separate officers.

14.1.7 The Head of Finance shall nominate officers responsible for reconciling all bank accounts in the name of the Council with the relevant accounting records.

14.1.8 A detailed reconciliation statement is to be prepared, as soon as practicable, following the end of each month and is to be presented to the Head of Finance.

14.1.9 The statement is to be signed jointly by the Head of Finance and the officer responsible for its preparation.

14.1.10 Any discrepancy arising at the time of reconciling the accounts and records will be made known to the Head of Finance and Internal Audit and any such discrepancy clearly stated on the reconciliation statement.

Bank Transactions and Instructions to our Bankers

14.1.11 Cheque and electronic bank transfer payments must only be made by authorised individuals registered with our bankers. The Head of Finance will register appropriate individuals to ensure business continuity.

14.1.12 Electronic bank transfers must involve a minimum of two staff with authorisation procedures and records approved by the Head of Finance.

14.1.13 Only authorised staff may communicate with the Council's bankers.

14.2 Treasury Management Policy

Why is this important?

The Council often invests considerable sums of taxpayer's money so as to make an acceptable return on the investment, which in turn is used to help

finance Council services and projects. Investment is not without risk.. It is the Council's duty to ensure that such risk is minimised through prudent management of its investments in accordance with legislation and recognised standards.

Risks:

- Money invested by the Council could be lost giving rise to the Council facing serious financial difficulty;
- The Council could face prosecution and a critical external audit report for failing to comply with legislation and accepted standards;
- Council funds could be misused by a member of staff for their own ends;
- investment return falls short of expectation.

Regulations:

14.2.1 The Head of Finance shall be responsible for the investment of Council funds in accordance with the Local Government Act 1972, the CIPFA Code of Practice on Treasury Management and the Treasury Management Strategy approved by the Cabinet, annually.

Statutory Requirements:

14.2.2 The Local Government Act 2003, and supporting regulations, requires the Council to "have regard to" the Prudential Code and the CIPFA Treasury Management Code of Practice (CIPFA TMCOP) to set Prudential and Treasury Indicators for a three year period to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

CIPFA Requirements:

14.2.3

The primary requirements of the Code are as follows:

- a. Creation and Maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- c. The Full Council receive an annual Treasury Management Strategy Statement (including the Annual Investment Strategy and Minimum Revenue Provision Policy) for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.

- d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specified named body. For this Council the delegated body is the Cabinet.

14.2.4 The S151 Officer is responsible for the administration of the financial affairs of the Council. Implementing this strategy and the CIPFA Code of Practice on Treasury Management manages the risk associated with the Council's treasury management activity.

14.3 Investments

- 14.3.1 The Authority compiles their cash flow forecast for a one year period. This is done on the basis that most large items of expenditure and income are known in terms of value and date of payment/receipt. Finance should be notified immediately of any significant items of new expenditure, considered to be over £50,000, as this may impact on investment decisions for the future or, more seriously, cash flow constraints.
- 14.3.2 Investment decisions are made based upon the cash flow position on that day and the future requirements on the cash flow of the authority. This is done under the remit of the approved Treasury Strategy. The Authority retains a small overdraft facility for unforeseen items of expenditure.
- 14.3.3 The Head of Finance shall arrange for the investment of excess funds based upon the counterparty criteria relevant at that time. This can be found on the most recent Treasury Strategy. From the pool of eligible banks or building societies the officer will call to obtain the best rate of interest on that particular day, and proceed on this basis.
- 14.3.4 All bank accounts of the authority have a mandate signed, typically by two senior managers of the Finance Department which are filed with all relevant banking documentation.
- 14.3.5 When any investment is made, a journal, form number 1401, is signed by the manager who authorised the payment to be made. This is then processed on E-financials to record the investment has been made.
- 14.3.6 Repayment of investment is known in advance and is paid, typically by Clearing House Automated Payment Scheme (CHAPS), by the borrower on the due date. The cash flow spreadsheet is used as the source document to notify when funds are due back to the Authority.
- 14.3.7 The investment policy is reviewed twice yearly: when both the Annual Strategy and the Half Year Investment Report are compiled.

- 14.3.8 In the event of a borrower default, the Accountant dealing with Treasury would notify the Section 151 Officer, Cabinet Member for Finance, Leader of the Council and Chief Executive. This would then be communicated to Management Team and the Cabinet. The Accountant would liaise daily with the S151 Officer on any developments and actions to recover the monies due.
- 14.3.9 All investment transactions shall be in the name of the Council. All securities, which are the property of the Council, are held in the custody of the Head of Finance.
- 14.3.10 Monies invested will be paid to recipients by way of a CHAPS (Clearing House Automated Payments System). Manual CHAPS payments must be checked and signed by two authorised signatories. CHAPS payments using the Payment Manager System are set up by one card holder and authorised by a second card holder.
- 14.3.11 Interest Allocation: Interest accrued on invested funds is applied to the services from which the funds became available. In the main, this is allocated between the General Fund and the Housing Revenue Account based on average balances held each year.

14.4 Loans

Why is this important?

The Council may have a need to borrow considerable sums of money so as help finance Council services and projects. Borrowing is not without risk. It is the Council's duty to ensure that such risk is minimised through prudent management of its borrowing in accordance with legislation and recognised standards.

Risks:

- Money could be borrowed by the Council at less than advantageous interest rates and thereby incurring higher than necessary expenditure;
- The Council could fail to repay money borrowed on time thereby having penalties invoked against it.
- The Council could face prosecution
- The Council could receive a critical external audit report for failing to comply with legislation and accepted standards;
- Loans could be taken out in the Council's name by a member of staff for their own ends.

Regulations:

- 14.4.1 The Head of Finance shall be responsible for the administration and day to day operation of the Council's borrowing requirements and in so doing comply with the CIPFA Code of Practice on Treasury Management.

- 14.4.2 The Head of Finance shall ensure that money required by the Council is borrowed at the most advantageous rates and terms possible. All legal agreements are to be reviewed by the legal Department before being signed and the Council becoming bound by their terms. All borrowings shall be in the name of the Council.
- 14.4.3 The Head of Finance shall be the Council's registrar of mortgages and shall maintain records of all monies borrowed by the Council.
- 14.4.4 Under the criteria of the Prudential Code the Head of Finance is to prepare a report prior to the commencement of each financial year for the Council to consider and then set the borrowing limits for the ensuing year.
- 14.4.5 The Council's Aggregate Credit Limit is to be monitored and at no time are the Council's borrowings to exceed the limit.
- 14.4.6 The Head of Finance shall report to the Cabinet at regular intervals on treasury management activities for the previous period.
- 14.4.7 Monies repaid will be paid by way of CHAPS (Clearing House Automated Payments System). Manual CHAPS payments must be checked and signed by two authorised signatories. CHAPS payments using the Payment Manager System are set up by one card holder and authorised by a second card holder.
- 14.4.8 Internal borrowing within the Authority, which will relate to the General Fund and Housing Revenue Account will be done so via a service level agreement arranged by the respective Heads of Service and Cabinet Members. The rate of borrowing agreed will be benchmarked against a publicly available rate such as the Public Works Loan Board (PWLB) or Bank of England Base Rate.

14.5 Loans to External Bodies (Including Soft loans)

Mid Devon District Council has the power to provide businesses or social organisations with soft loans.

Definition:

A soft loan is one with no interest or below-market rate of interest.

Lenient terms such as extended grace periods in which only interest or service charges are due, and interest holidays may be present. Typically they offer longer amortisation schedules and lower interest rates than conventional bank loans.

Risks:

- Reduced returns on available cash reserves
- Borrower default

Regulations:

- 14.5.1 Each request will be reviewed on merit and any loan agreement requires Head of Finance and Cabinet approval subject to the limits shown in Appendix A Para A.
- 14.5.2 , In order to be eligible, the borrowing business or social organisation , shall be resident within the Mid Devon District Council boundary.
- 14.5.3 Any interest premium applied will be benchmarked against an available market rate.
- 14.5.4 The Council's security requirements will vary depending on the nature of the business, the loan value and the duration of the loan.

15.0 Insurance

15.1 Insurance

15.2 Notification of New Risks

15.3 Incident Reporting & Claims Handling

15.1 Insurance

Why is this important?

The delivery of council services is not without inherent risk of death, injury or financial loss to staff, members, third parties or the Council itself. The Council must make a careful assessment of these risks and how they should be covered. Some will be insurable and a balanced view will need to be taken as to what risks will be insured and those other risks which will be carried by the Council, through maintenance of earmarked funding or otherwise.

Risks:

- The Council may not be adequately insured and be unable to meet some claims made against it;
- The Council may be over insured;
- The Council may be paying too much for its insurance cover.

The Council has an internal team to manage its insurance-related responsibilities, and to help avoid disruption to Council services and finances. The Council's Insurance team:

- provides a claims management service
- arranges and negotiates appropriate insurance cover for the Council
- investigates potential and actual claims against the Council
- collates necessary supporting evidence
- submits claims on behalf of the Council
- provides control of all claims against the Council's insurance policies
- manages insurable risks to minimise potential losses and reduce disturbance to Council services
- advises on the level of claims and insurable risks

Regulations:

15.1. All insurance cover shall be reviewed at least annually by The Head of Finance and where new risks are identified due consideration in terms of cost and scope of cover will be made immediately.

Scope and Types of Risk

The Head of Finance is responsible for arranging all insurance cover subject to the approval of the Legal Services Manager on the form of policy.

Types of Cover

Public Liability: This insurance covers injury or death to any person on or around the Council's property and damage to Third Party material property.

Land & Buildings: This safeguards the Authority's properties.

Equipment: This covers specified equipment.

Motor: This provides cover for all of the Council's vehicles including plant.

Engineering Insurance: Insurance relating to the Council's plant, machinery and equipment.

Employers Liability: Protects the Council against legal liability to pay damages and legal costs arising from Employees suffering bodily injury, illness or disease and including death in the course of employment.

Fidelity Guarantee Insurance: All appropriate employees of the Council will be included in a suitable fidelity guarantee insurance policy to safeguard the Authority against losses caused by dishonesty of employees.

15.2 Notification of New Risks

15.2.1 Service managers shall promptly notify the Head of Finance of the extent and nature of all new risks to be insured and of any alteration affecting insurable risk within their department. Details must be e-mailed to insurance@middevon.gov.uk.

15.2.2 Service managers will consult with the Head of Finance in respect of the terms of any indemnity, which the Council is requested to give when entering into a contract with a Third Party. The Head of Finance will consult the Council's insurer if appropriate.

15.2.3 When any additions are made to the Corporate Risk Register consideration needs to be given to any Insurance implications regarding the new risk. Details must be e-mailed to insurance@middevon.gov.uk.

15.3 Incident Reporting & Claims Handling

15.3.1 Service managers will notify the Head of Finance immediately of any loss, liability, damage or any event which seems likely to lead to a claim. The appropriate claim form shall be completed and submitted to the Head of Finance within seven days via e-mail insurance@middevon.gov.uk or Post. Any necessary supporting evidence must be submitted within two weeks of incident date.

Motor Claim Form	FIN801
Public Liability Claim Form	FIN802
Property/Theft Claim Form	FIN803
Employers Liability Claim Form	FIN804

Clear guidance is given on the forms; additional help is available e-mail insurance@middevon.gov.uk

15.3.2 Service managers, staff and members must ensure that they **do not** accept liability or make any offer to pay compensation, which may prejudice the conduct and outcome of any insurance claim.

15.3.3 The Head of Finance must be informed and the appropriate claim form completed , where damage is caused to council property, plant or vehicles, by fire or other insured risk, before work or repairs, other than emergency works, shall be undertaken. and necessary authority has been given by the Council's insurers.

15.3.4 The Head of Finance will negotiate all claims in consultation with the Insurers and Service managers.

15.3.5 Policy premiums and any excess required to be paid in the claims process will be charged to relevant expenditure heads

Other

15.3.6 Contractors or agents acting for the Council must have insurance arrangements which adequately indemnify the Council against any third party claim. It is Service Manager's responsibility to require this of contractors at quotation stage and to have details of the relevant insurance documents.

16.0 Postage

16.1 Postage

Why is this important?

Postage stamps, prepaid envelopes and balances held within franking machines are vulnerable to theft or loss.

Risks:

- Stamps could be lost or stolen;
- Franking machine balances could be misused
- Prepaid envelopes could be lost or stolen

Regulations:

- 16.1.1 Officers responsible for postal franking machines will certify the balance of impressions held in the machine at the 31st March each year. The certificate is to be forwarded to Finance without delay.
- 16.1.2 Where more than one service use the same franking machine, a record of each services usage must be maintained.
- 16.1.3 Franking machines, stamps and pre-paid envelopes are only to be used for mail sent in connection with the Council's business. Use for any private mail is not permitted and will lead to disciplinary proceedings.
- 16.1.4 All services are allocated a number for their post by Customer Services. which is input into the franking machine when the post is franked. Readings from the franking machine allocate postage costs to each service area which will then be charged to the service as part of the year end recharge.

17 FINANCIAL STATEMENTS AND REPORTS

17.1 The annual statement of accounts

17.2 Accounting policies

17.3 Reports containing financial information

17.1 The Annual Statement of Accounts

- 17.1.1 The Head of Finance is responsible for ensuring that the annual financial statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and other legal and regulatory requirements for approval by the Audit Committee. This ensures that the statement of accounts present a true and fair position of the Council at the year end and also the expenditure and income for that year.
- 17.1.2 The Head of Finance will issue a detailed timetable to Service Managers annually to ensure that all relevant information is collected in a timely manner and that the statutory deadline is achieved.
- 17.1.3 The accounts are subject to external audit, the objective of which is to provide assurance that the accounts have been prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.
- 17.1.4 The Audit Committee is responsible for approving the annual statement of accounts, which must be signed by the s151 Officer by 30 June following the end of the financial year.

17.2 Accounting Policies

Why is this important?

The Accounting policies underpin the preparation of the statement of accounts and must be consistent with the basic accounting concepts of materiality, going concern, matching, consistency, prudence and substance over form.

Key controls

The key controls for the satisfactory completion of the statement of accounts are that:

- suitable accounting policies are determined, communicated and their consistent application monitored;
- a reasonable and prudent policy is created to ensure a consistent approach to all instances where estimates are made and that these are documented;;;
- statutory and other professional requirements are observed;
- all reasonable steps are taken for the prevention and detection of fraud and other irregularities; and

- the draft statement is available for examination and report by the external auditors in accordance with the previously agreed timetable..

Regulations:

Responsibilities of Head of Finance

- 17.2.1 The Head of Finance is responsible for selecting appropriate accounting policies, ensuring that they are applied consistently and that they are fully disclosed in the financial statements.

Responsibilities of Service Managers

- 17.2.2 Service managers are to adhere to the accounting policies and guidelines approved by the Head of Finance throughout the financial year and to submit to the Head of Finance any information considered necessary for accounting and costing purposes in accordance with the year end timetable.

17.3 Internal and External Reports containing Financial Information

Why is this important?

The Council's reputation could be damaged if erroneous or misleading information is published. Poor or wrong decisions could be made on incorrect data published within a report.

Key controls

- 17.3.1 All reports should be reviewed by Internal Audit and Finance to safeguard the integrity of the presented data. Where amendments are required these must be made by officers before the report is published.

18 Risk Management and Governance

18.1 Prevention of fraud and corruption

18.2 Risk management and corporate governance

18.3 Internal audit

18.4 External audit

18.5 Financial irregularities

18.6 Money laundering

18.1 Prevention of Fraud and Corruption

Corporate Fraud

Why is this important?

The Council will not tolerate fraud and corruption whether externally or internally. It is determined that the culture and tone of the organisation is one of honesty and total opposition to fraud and corruption.

The Council has an established Code of Conduct for all Council Officers and Members. The Council has robust policies relating to Fraud, Corruption and Whistle-blowing.

The Council requires its contractors, suppliers, partners and other service providers to adopt the Council's policies and procedures, which uphold the Council's high standards.

The Council has adopted an anti-fraud policy for Housing and Council Tax Benefits. The National Fraud Initiative is actively supported and a range of measures is in place to identify and successfully prosecute anyone claiming Housing and/or Council Tax Benefit fraudulently.

Risks:

- The Council may suffer financially through fraudulent or corrupt practices and failure to maintain high standards of conduct;
- Genuine claimants may be refused;
- The confidence of the public in the Council may be shaken, as a result of discovery of fraud or corruption involving Council staff, members or its partners and contractors;
- The Council's reputation may suffer
- Staff may be prevented from raising their concerns through 'whistleblowing' procedures under the Public Interest Disclosure Act 1988 and the Council may leave itself open to payment of compensation, (with no upper limit) under the Public Interest Disclosure Act 1998.

Regulations:

18.1.1 The Head of Communities and Governance, in conjunction with the Head of HR and Development is responsible for maintaining the Council's:

- Anti-fraud and corruption strategy
- Whistleblowing policy

- Anti-Money Laundering Policy

Benefit Fraud

- 18.1.2 As part of the National Fraud Initiative, the Council undertakes biannual data matching for Housing and Council Tax Benefit.
- 18.1.3 If the Benefits Fraud Investigation team become aware of potential instances of fraud they will conduct an investigation in accordance with the Fraud Procedure Manual.
- 18.1.4 Where evidence of fraud is found, persons involved will be prosecuted in accordance with the Prosecution Policy,(Appendix 5 of the Fraud Procedure Manual).

Awareness

- 18.1.5 All service managers will ensure that all officers (including any new employees) within their service areas have access to, and regularly refresh their knowledge of:
- The Officers Code of Conduct;
 - The Council's counter fraud and corruption policy; and
 - The Council's whistle-blowing policy.
- 18.1.6 All service managers will ensure that any contractors, or any other parties, working on behalf of the Council, within their service areas have access to, and regularly refresh their knowledge of, the Councils Whistle-blowing Policy.
- 18.1.7 The Monitoring Officer will ensure that all Members have access to, and regularly refresh their knowledge of, the Members Code of Conduct.
- 18.1.8 All Officers and Members must ensure that they provide the Monitoring Officer with returns relating to the declaration of any personal interests and receipt of gifts or hospitality (whether accepted or not).

18.2 Risk Management, Internal Control and Corporate Governance

Why is this Important?

Risk is identified as something that might have a detrimental impact on the Council's objectives or affect service delivery. The Council, therefore, has a duty to ensure that risks are properly identified, managed and controlled.

The objectives and many of the Council's services and activities are not without inherent risks including those of risk of death, injury or financial loss to staff, members of the public or external organisations.

Risk can be mitigated by:

- transferring the risk to a third party, e.g. through insurance;
 - implementing additional controls to those that exist to minimise the likelihood of the risk occurring or minimising its potential impact (e.g. through regular inspection and continuous monitoring of identified key risk areas);
- establishing and regularly testing business continuity and disaster recovery procedures to deal with the consequences of events and minimise potential disruption;
- Training of officers and staff in key risk areas

The key controls for risk management are:-

- Management team leading and directing risk management at highest level;
- establishing clear roles, responsibilities and reporting lines within the Council for managing risk ;
- incorporating risk management considerations/ systematic benchmarking and a performance management system;
- maintaining documented procedures for the control of risk, the provision of suitable information, training and supervision;
- maintaining an appropriate incident reporting, recording investigation procedure to prevent recurrence;
- for allocating resources to identified priority risk areas;
- training to reinforce the importance of effective risk management as part of the everyday work of employees;
- maintaining effective communication and the active involvement of every member and employee of the Council;
- including risk management as an agenda item at meetings as appropriate;
- providing opportunities for shared learning on risk management across the Council; and
- preparing contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the Council and its business capability.

Internal controls are one of the tools used to manage the Council's risks, and ensure that it meets its strategic objectives and statutory obligations. The

Accounts and Audit Regulations 2003 impose an explicit duty on the Council to ensure it has a sound system of internal control including the publication of an annual statement..

The system of internal controls is established in order to provide measurable achievement of:

- (a) Efficient and effective operations
- (b) Reliable financial information and reporting
- (c) Compliance with legislation and regulations
- (d) Risk management

- (e) Security of assets.

Risks:

- The opportunity for fraud, loss, extravagance, waste or embarrassment is increased;
- The Council could be in contravention of legislation;
- Incorrect political and managerial decisions could be made because of the absence of consideration of risk.

Regulations:

- 18.2.1 The Head of Communities and Governance is responsible for producing, reviewing and updating the Council's Risk Management Strategy and to be approved by the Audit Committee annually.
- 18.2.2 It is the responsibility of the service managers to ensure that the risks affecting their service areas are identified on a continuing basis, and documented in a risk register along with the controls for mitigating those risks.
- 18.2.3 Service managers are responsible for ensuring that any actions that have been agreed to put controls in place to mitigate risks are completed in the agreed timescale.
- 18.2.4 The centralised risk register will be held electronically on the SPAR.net system, and will be reviewed by Internal Audit twice a year. Service managers, or their nominated representatives, will ensure that risks relating to their service area are reviewed and updated using the SPAR.net system.
- 18.2.5 Service managers are to ensure that all staff in their service area have a clear understanding of the risks affecting the Council and their service area and their consequences of not controlling those risks.

- 18.2.6 The Management Team will act as the Council's Corporate Risk Management Group in order to review those risks likely to have an impact on the achievement of the Council's objectives.

Internal Control

- 18.2.7 Internal Audit will be responsible for conducting an annual review of the effectiveness of the Council's internal control environment, the results of which will be included in the Annual Governance Statement.
- 18.2.8 The Head of Communities and Governance Head of Communities and Governance will produce an Annual Governance Statement in accordance with current CIPFA guidance, which is to be reviewed and approved by the Audit Committee and signed off by the Leader of the Council and Chief Executive, and published with the statement of accounts.
- 18.2.9 An action plan will be produced as part of the Annual Governance Statement, covering areas of exception. Service managers are responsible for ensuring that any recommendations relating to their service area are implemented by the agreed timescale.
- 18.2.10 Service managers are to manage service processes to ensure 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.

Corporate Governance

- 18.2.11 The Council is responsible for approving the Council's Code of Corporate Governance following consideration by the Audit Committee.
- 18.2.12 The principle of the Code will be openness, integrity and accountability and will cover the areas required by the CIPFA/Society of Local Authority Chief Executives (SOLACE) guidance, which includes:
- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - Developing the capacity and capability of members and officers to be effective; and

- Engaging with local people and other stakeholders to ensure robust public accountability.

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18.2.13 Direct responsibility for the monitoring of compliance with the principles and elements of corporate governance and the requirements of the Code are placed with the Council's Monitoring Officer (with the exception of the application of these Regulations, which are the responsibility of the Head of Finance).

18.2.14 Internal Audit will test compliance with the Code on an annual basis and the results of the monitoring and testing will be reported to the Audit Committee

18.3 INTERNAL AUDIT

Why is this important?

The Accounting and Audit Regulations 2003 requires that the Council shall be responsible for ensuring that financial management arrangements are adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The Council shall conduct a review at least once a year of the effectiveness of its system of internal control and shall include a statement on internal control to be published with the statement of accounts.

Internal Audit is an assurance function which provides an opinion to the Council. It objectively examines, evaluates and reports on the adequacy of controls that affect the Council objectives. Its contribution is to the proper economic efficient and effective use of Council's resources on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the Council's objectives. Internal Audit objectively examines, evaluates and reports on the adequacy of the internal control environment as a contribution to the proper, economic, efficient and effective use of resources.

Risks:

- Changes in the delivery of services lead to internal financial control systems failing, thereby increasing the possibility of fraud, loss, extravagance, waste or embarrassment to the Council;
- The Council could face legal action for failing to maintain an adequate internal audit service;
- The absence of the internal review process increases the opportunity for fraud, corruption or lax service delivery;

- Increased external audit costs may be incurred if the external auditor is not satisfied that the Internal Audit service is adequate.

Regulations:

- 18.3.1 The Council shall make provision for Internal Audit in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. The Accounts and Audit Regulations 2003 state that a relevant body must 'maintain an adequate and effective system of internal audit of the Council's accounting records, and of its system of internal control in accordance with the proper internal audit practices'.
- 18.3.2 The Head of Communities and Governance, or representative from Internal Audit, shall, with full regard to the Data Protection and Human Rights requirements, have authority to:
- (a) Enter at all reasonable time on to any Council premises or land;
 - (b) Have access to all records, documents and correspondence (both manual and electronic) relating to any transaction of the Council;
 - (c) Require and receive such information and explanations from any officer as are necessary concerning any matter under investigation;
 - (d) Require any employee or agent of the Council to account for cash, stores or any other Council property under their control; and
 - (e) Access records belonging to third parties, such as contractors or partnerships, if required.
- 18.3.3 The Head of Communities and Governance has direct access to the Chief Executive, Head of Finance, Leader and Chairman/Vice Chairman of the Cabinet and the Audit Committee.
- 18.3.4 The Head of Communities and Governance shall produce an operational internal audit plan and also a three year strategic audit plan, which will cover the full range of services provided by the Council. The core financial systems of the Council will be audited on an annual basis and the remaining systems will be audited on a rolling programme, according to the level of risk.
- 18.3.5 It shall be the responsibility of the Internal Audit to review, appraise and report upon:
- (a) The soundness, adequacy and application of internal financial controls;
 - (b) The extent to which the Council's assets and interests are accounted for and are safeguarded from losses of all kinds including:

- Fraud and other offences
- Waste, extravagance, inefficient administration, poor value for money or any other cause.

(c) The suitability, reliability and use of financial and other management information available within the Council.

18.3.6 Service managers (in consultation with their line manager) are to consider, and promptly respond to agreed recommendations set out in Internal Audit reports and to ensure that any agreed actions are carried out within the timescale agreed.

18.3.7 The Head of Communities and Governance will report twice yearly to the Audit Committee. Reports will contain details of Internal Audit activities and actions agreed on any high priority recommendations.,

18.3.8 Internal Audit shall be informed of, and can act in a consultancy capacity to officers and others acting on the Council's behalf in respect of the creation, amendment or removal of systems of a direct or indirect financial nature.

18.4 External Audit

Why is this important?

Each financial year the Council is subject to an external audit of statutory financial statements. The external auditor has rights of access to all documents and information, necessary for audit purposes.

In carrying out their duties the external auditor is required to comply with statutory requirements governing them, and in particular the Audit Commission Act 1998, the Code of Audit Practice, the Local Government Act 1999 and the Accounts and Audit Regulations 2003. The Code of Audit Practice issued in March 2005 sets out the auditor's objectives to review and report upon:

- The audited body's financial statements and its Statement on Internal Control; and
- Whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Council's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts 'present true and fairly' the financial position of the Council and its income and expenditure for the year in question and complies with the statutory requirements as set out in the current Statement of Recommended Practice (SORP) and the Services Reporting Code of Practice (SERCOP).

Risk:

- The Council's accounts are not signed off by the external auditors or are signed off with a qualifying comment to the effect that they fail to present fairly the financial position of the Council.

Regulations:

18.4.1 The Head of Finance will work with the external audit staff to ensure that there is effective liaison between external and internal audit to optimise use of audit resources and that all members and Finance staff are advised of their roles and responsibilities in relation to external audit.

Service managers shall ensure that external auditors are given access (at reasonable times) to premises, personnel, documents and assets which are considered necessary for the purposes of their work.

18.4.2 Service managers shall ensure that all records and systems are up to date and available for inspection.

18.5 Financial Irregularities

18.5.1 All suspected frauds or irregularities involving cash, property or financial transactions of the Council shall be notified immediately to the Head of Communities and Governance , r the Head of HR and Development, and the Head of Finance as Section 151 Officer.

18.5.2 Where fraud or irregularity is suspected:

- (a) The relevant service manager will take immediate action and all possible steps to prevent further loss and to secure records against removal or alteration.
- (b) The Head of Communities and Governance and/or the Head of HR and Development will initiate an immediate investigation and the Head of Finance as S151 officer will be informed.

18.5.3 Where sufficient evidence exists that a criminal offence may have been committed, the Monitoring Officer , in consultation with the Chief Executive, and Head of Finance (as Section 151 Officer), will call in the police to further investigate and decide on possible future proceedings.

18.6 The relevant service manager with the Head of HR and Development will instigate the Council's disciplinary procedures where the outcome of an investigation indicates misconduct, fraudulent or otherwise.

18.7 Money Laundering

WHAT IS MONEY LAUNDERING?

Money Laundering can be defined as “the crime of moving money that has been obtained illegally through banks and other businesses to make it appear that the money has been obtained legally”.

When the Council (or any of its employees or Members) is accepting or dealing with money or other assets there is a risk that such money or assets could come from a criminal source. In the vast majority of cases this is unlikely, but everyone should bear in mind that they could contravene the law if they become aware of or suspect criminal activity and continue to be involved in the matter without reporting their concerns.

RECOGNISING MONEY LAUNDERING

18.6.1 Possible indicators of money laundering may include:

- Cash based businesses which are more likely to add criminal funds to legitimate business takings;
- Large cash receipts generally and **always** amounts over the equivalent of 15,000 Euros;
- A person who is reluctant to supply evidence of identity or address;
- Large overpayment of fees or money on account;
- Cancelled transactions without good reason, requiring a repayment;
- Requests to forward balances on to a third party;
- Information received about an individual which may reveal criminality or association with criminality;
- The use of over complicated financial systems or funds received from third parties;
- A buyer’s or seller’s financial profile not “fitting” the transaction they are undertaking;
- Unexplained use of an out of area solicitor/agent in relation to a property transaction.

18.6.2 This list is not exhaustive but simply gives examples of when employees should consider whether their suspicions should be aroused and in such circumstances should suggest to the employee that they should be asking themselves questions such as e.g. *Would I expect this individual to have this amount of cash; why do they*

wish to pay in cash; why is this person offering to pay more than the going rate for this item/service, etc.

LEGISLATION RELATING TO MONEY LAUNDERING

- 18.6.3 Legislation concerning money laundering has broadened the definition of money laundering and increased the range of activities caught by the statutory framework. The obligations impact on areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.
- 18.6.4 There are several pieces of legislation relating to money laundering which include:
- The Terrorism Act 2000
 - The Anti-Terrorist Crime and Security Act 2001
 - The Proceeds of Crime Act 2002
 - Serious Organised Crime and Police Act 2005
 - Money Laundering Regulations 2003 & 2007
 - Third European Union Money Laundering Directive 2005
- 18.6.6 Consideration of the Whistle-blowing and Anti-Fraud and Anti-Corruption Policies may also be required.

PURPOSE AND SCOPE

- 18.6.7 The aim is to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.
- 18.6.8 The legislative requirements concerning anti-money laundering procedures are extensive and complex. These regulations have been written so as to enable the Council to meet its' legal requirement in a way which is proportionate to the very low risk.
- 18.6.9 These regulations apply to **all employees** (including agency staff and contractors) and **elected Members**. All employees must be aware of their responsibilities and the consequences of noncompliance. Service managers must ensure that all employees are aware of these regulations during new employee induction. The Council's Money Laundering Reporting Officer (MLRO) will arrange suitable training of all staff and elected Members
- 18.6.10 An employee could potentially be caught by the money laundering provisions (if they suspect money laundering and either become involved with it in some way and/or do nothing about it) – e.g. if they:

- Assist a money launderer;
- “Tip off” a person suspected to be involved in money laundering that they are suspected or that they are the subject of police investigations;
- Fail to report a suspicion of money laundering; and
- Acquire, use of or possess criminal property.

18.6.11 It is extremely important that all employees are familiar with their legal responsibilities. Employees found guilty at trial of contravening the legislation may be faced with imprisonment (up to 14 years), a fine or both.

18.6.12 Failure by an employee to comply with the procedures set out may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council’s Disciplinary Procedure.

REPORTING/DISCLOSING INFORMATION

18.6.13 If an employee/Member suspects money laundering or has any suspicions relating to any transaction then they must report their suspicions to the Council’s Money Laundering Reporting Officer (MLRO).

18.6.14 The employee/Member will need to supply as much information as possible to the MLRO about the individual or company concerned i.e. name, address and their reasons for suspicion. If any other employees/Members have been involved with the transaction the names of these persons should also be passed to the MLRO.

18.6.15 Any disclosures must be reported using the form [FIN1501](#) available on Sharepoint. Upon receiving the completed form the MLRO will consider all of the admissible information in order to determine whether the grounds to suspect money laundering are valid. If the MLRO determines that the information or matter should be disclosed it will be reported to the UK Financial Intelligence Unit (UKFIU), the branch of the Serious Organised Crime Agency (SOCA) that deals with money laundering.

18.6.16 . Disclosures should be kept confidential and not discussed with colleagues. It is important to ensure that the person(s) suspected of money laundering is not “tipped off” regarding the disclosures. It is an offence to prejudice an investigation by informing anyone of the disclosure or by tampering with evidence. If found guilty there is a punishment of up to 5 years in prison available to courts on indictment.

AFTER DISCLOSURE

18.6.17 No transactions can be completed where it is believed that money laundering is involved until clearance has been received from either the UKFIU or the SOCA, or seven days have elapsed since the disclosure was made to them and no

instructions have been received. Employees must **always** check the position with the MLRO before taking any action.

Glossary of Terms

Accounting Policies	Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or balance sheet it is to be presented. Accounting policies do not include estimation techniques.
Accounts Payable	The ledger and process relating to the payment of trade creditors and other payments
Accounts Receivable	The ledger and process relating to the raising of sales invoices and their collection
Accrual	A sum included in the final accounts to cover income or expenditure attributable to that year but for which payment was not received/made during that year. Local authorities only accrue for revenue expenditure; capital expenditure is recorded on a receipts and payments basis.
Appropriation	The transfer of ownership of land or buildings from one service to another.
Asset	An asset is anything that is owed by the Council that has a value.
Asset Management Plan and Capital Strategy	A document that explains how the Council will maintain its assets over the next few years and where it is intending to spend money on new or improvements to its existing assets.
Bad Debt	Money owed to the Council that is unlikely to be paid.
Balances	The total revenue reserves required to provide a working balance during the financial year, for example in periods when expenditure exceeds income.
Best Practice	The term used to describe the methods used by local government to share procedures and practices in order to learn and improve from each other
Best Value	
Budget	A statement of the authority's plans for revenue and capital expenditure and income over a specified period of time. The forecast of net revenue and capital expenditure over the accounting period.
Budgetary Control	The process of ensuring actual expenditure and income does not exceed the budget available and taking corrective action where variances are identified.
Budget Monitoring	The process of reviewing actual expenditure or income against the sum allocated for the year enabling action to be taken to reallocate budgets to or from other

	budget lines in a timely manner where variances are found.
Budget Head	A specific area of activity where expenditure may be incurred or income collected.
Capital Adjustment Account	This records the timing difference between the costs of fixed assets used and the capital financing set aside to pay for them.
Capital Charges	This is a general term used for the notional charges made to service revenue accounts for the use of fixed assets. The term covers: Depreciation of buildings and equipment, amortisation of intangible assets, impairment charges and amortisation of REFCUS expenditure.
Capital Discharged	The amount of capital expenditure which has been paid for out of revenue or other sources.
Capital Expenditure	Money spent to either acquire or improve an asset owned by the Council which will be used over a period of years or money awarded to a third party towards an asset owned by them for example a grant to improve their property. Includes the purchase of land, purchase or cost of construction of buildings and the acquisition of plant, equipment and vehicles.
Capital Outlay	Expenditure on the acquisition of significant fixed assets which will be of use or benefit in providing services beyond the year of account.
Capital Programme	The Council's capital expenditure plans for the next few years. The capital programme will show the anticipated cost, usually on a scheme by scheme basis, and how it intends to finance this.
Capital Receipts	Proceeds from the sale of assets and other receipts of a capital nature.
Capital Receipts Unapplied	Capital receipts not yet used for repayment of debt, or to finance capital expenditure.
Capital Strategy Asset Group (CSAG)	A working group of senior officers set up to oversee the capital programme. The CSAG reviews new expenditure plans before they are recommended for inclusion onto the capital programme, and monitors both the capital expenditure and the financing resources on schemes in the capital programme ensuring timely action is taken for any variances identified.
Central Establishment Charges	Salaries and associated expenses of central departments together with the cost of maintaining administrative buildings and other central services.
Commitments	A commitment arises when an order is raised to purchase goods or services but the goods or services have not yet been received.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This body is responsible for interpreting accounting standards and recommending working

	practices to be followed by all local authorities.
Collection Fund	A separate fund that records the income and expenditure relating to council tax and non domestic rates.
Corporate Plan	A document outlining what the Council wants to achieve and how it will get there. The Corporate Plan generally covers a period of 3 years, but is reviewed and updated on an annual basis.
Corporate Democratic Core	Those activities which the local authority is engaged in specifically because it is an elected multi-purpose authority. This includes the costs of corporate policy making, representing local interests, representatives and duties arising from public accountability.
Cost Centre	An individual reference used within the Council's financial system to enable the allocation and monitoring of expenditure and income in a meaningful way.
Creditors	Persons/businesses owed money by the Council
Debtors	Persons owing monies to the Council.
Decision Maker	
Depreciation	The allocation of the cost of the useful economic life of the Council's fixed assets for the accounting period through general wear and tear, consumption or obsolescence.
Deferred Capital Receipts	Deferred Capital Receipts are the amounts derived from sales of assets which will be received in instalments over agreed periods of time.
Earmarked Reserve	Money allocated for a specific purpose which will be spent in a future year.
Emergency	An occurrence involving or likely to 'involve danger to life or health' or 'serious damage to property' or 'destruction of property'.
Fidelity Guarantee	Insurance against fraudulent losses.
Finance Lease	A lease whereby all the risks and rewards of ownership of a fixed asset are with the lessee. In substance the asset belongs to the lessee.
Financial Regulations	A written code of procedures approved by the authority, intended to provide a framework for proper financial management. Financial regulations set out rules on accounting, audit, administrative procedures and budgeting systems.
Financial Year	A Local Authority financial year runs from 1 April to 31 March.
Fixed Asset	An asset intended to be held for a period of more than one year, such as a machine or building.
Forecast	A prediction of spend for future months/years.
General Fund	The main revenue fund of the Council. Income from the council tax precept and Government grants are paid into the fund, from which the cost of providing

	services are met.
Government Grants	Payments by Central Government towards local authority expenditure. They are specific for a particular service; and are receivable in respect of both revenue and capital expenditure.
Grants	Income received by the Council to support the undertaking of Council services or to support the capital programme. Grants may have terms and conditions as to use attached.
Housing Revenue Account	Statutory ring-fenced account required to represent the landlord/tenant obligations for the Council in relation to managing and maintaining its housing stock in return for rental income from tenants.
Impairment	A reduction in the value of a fixed asset to below its carrying amount on the balance sheet due to damage, obsolescence or a general decrease in market value
Income & Expenditure Account	The net cost for the year for services provided by the Council for which it is responsible and showing how the cost has been financed from precepts, grants and other income
Internal Control	The system of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
Internal Recharge	A charge made by one council department to another for provision of a service.
Inventories (previously Stock)	Items of raw materials, work in progress or finished goods held at the financial year end normally valued at the lower of cost or net realisable value.
Lease	An asset not owned by the Council but which the Council has an agreement to use in providing its day to day services in return for a regular cash payment.
Liquid Resources	Cash and current Asset investments that can be easily converted to known amounts of cash without penalty, or can be traded on the active market.
Long Term Borrowing	Amounts borrowed in excess of 365 days
Long-Term Contract	A contract entered into for the design, manufacture or construction of a single substantial asset, or the provision of a service (or a combination of assets and services which together constitute a single project), where the project falls into more than one accounting period.
Long Term Debtors	Sums of money due to the Authority originally repayable within a period in excess of twelve months but where payment is not due until future years.
MEAT	
Medium term Financial Plan	A document outlining the Council's spending plans and forecast resources over the next three years.

Money Laundering	The term used where an individual uses legal payment routes to pass off income earned from illegal activities or to avoid the payment of Government taxes. In terms of the Council's activities this would include the payment of rents and council tax at the Council's payment counters with large cash payments.
Monitoring Officer	The Council is required to designate an officer as its monitoring officer. This officer is responsible for promoting and maintaining high standards of overall conduct, for reporting any actual or potential breaches of the law, or instances of maladministration either to the Council directly or via the Cabinet.
Net Book Value	The value of fixed assets included on the balance sheet, being the historical cost or a current revaluation less the cumulative amounts of depreciation.
Nominal Ledger	The nominal ledger is the main accounting record of the Council. It is basically a library of financial transactions.
Non-distributed Costs	In the main this represents support service area charges. E.g.: Corporate Management, Finance, Legal, ICT, HR services, etc. In addition to this a number of non-service specific corporate fees are included.
Operating Lease	A lease where the risks and rewards, and therefore the ownership of the asset, remains with the lessor.
Outturn	The actual income and expenditure for a financial year disclosed by the final accounts.
Over-spend	This is where the actual expenditure exceeds the budget for the same period.
Performance Indicators	A set of local authority service performance indicators determined by central Government and published each year for every local authority.
Petty Cash	A small amount of cash held by departments and available to purchase minor items of expenditure such as postage stamps.
Policy Framework	The collective term used to describe all the Council's agreed policies and strategies which identify what the Council aims to do, how it plans to do this and what resources it has available over a period of years.
Precept	The amount levied by one authority which is collected by another. E.g.: the County Council is the precepting authority and the District Council is the collecting authority.
Prepayment	An adjustment to a sum paid where the period covered by an item of expenditure partly relates to a future accounting period e.g. A single road fund tax payment partly covering two financial years.
Provisions	An amount set aside by the authority to meet a known item of expenditure but for which the actual timing and amount of the payment is not known. The main

	provisions relate to the Council's various insurance funds. Reserve Money set aside for future policy initiatives.
Rateable Value	The annual assumed rental value of a property, to which rate poundages are applied to arrive at rates payable.
Revenue Expenditure Funded from Capital under Statute (REFCUS)	Expenditure which may properly be capitalised but which does not result in assets owned by the Council. These charges are amortised to revenue immediately in the year of acquisition.
Reserves	Funds set aside to meet future expenditure on specific items or as a contingency against future losses. Reserves The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure
Revaluation Reserve	These records net gains from revaluations made after 1 April 2007 not yet realised through sales.
Revenue Contributions to Capital	This refers to the financing of capital expenditure directly from revenue rather than from loans or other sources.
Revenue Expenditure	Expenditure incurred by the Council on a day to day basis in the provision of services to the public.
Revenue Support Grant	The general grant paid by government to local authorities to enable all authorities to levy similar rate levels for similar levels of service.
Risk Management	The planned and systematic approach to the identification, evaluation and control of risk.
Section 151 Officer	Under section 151 of the Local Government Act 1972 each Council is required to have a nominated Officer with responsibility to ensure the proper administration of the Council's financial affairs. At Mid Devon this role is undertaken by the Head of Finance. This Officer must be a member of a professional accountancy body.
Service Reporting Code of Practice (SERCOP)	Produced by CIPFA and required to be followed by local authorities. Preparing accounts in line with the SERCOP ensures consistency and allows comparison between authorities.
Statement of Accounts	Council's are required to produce an annual Statement of Accounts which show how the Council has spent its money and what resources and reserves it has available. The Statement of Accounts includes the Council's statutory income and expenditure account, its balance sheet and a cash flow statement
Support Service	The term used to describe those Council departments or services who do not provide a service direct to the public, but provide a back office function to support the

	staff directly working with the public. Support services include finance, IT, HR, legal as well as property services etc.
Treasury Management	The term used to describe the Council's management of its cash, investments and borrowing requirements.
Under-spend	A favourable variance. Actual expenditure including any commitments is less than the budget set for the same period.
Value Added Tax (VAT)	Tax levied on goods and services.
Variation	A variation is an increase or decrease in a budget after the budget has been approved at the start of the year.
Virement	A switch of budget resource between cost centres or service units.

Definitions in respect of the Contract Procedure Regulations

“Approved List” means a list of contractors maintained by the Council, which is regularly reviewed and admission to which is the outcome of a selection process which verifies the financial soundness and technical competence of a contractor.

“Authorised Officer” means the officer who has delegated authority to exercise the relevant function in accordance with the Council's Scheme of Delegation within the Constitution.

“Best Endeavours” means that the officer has reasonably done all he/she can to ensure that the best possible value for money has been obtained on behalf of the Council.

“Best Interest” means that the officer has reasonably done all he/she can to ensure that the Council's best interests are met

“Best Value” means the Council's duty under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

“Contract” means a contract for supplies, services or for the execution of any works which the Council is procuring and also includes framework agreements.

“Contractor” means any person on, or applying to be on an Approved List, Select List or European List or whom is invited to tender, negotiate or submit a quotation, or to whom a Contract has been awarded.

“Decision Maker” means the Council, Policy Committee or any other group to whom a function has been delegated in accordance with the Council's Constitution and shall include a Head of Service exercising authorised powers or a delegation under the Council'

Economy – Doing less with fewer resources, i.e. making savings

Efficiency – Doing the same as before, but with fewer resources (money, staff, space)

Effectiveness – Doing more than before with the same resources as now (or less) Scheme of Delegation to Officers.

“Estimated Total Cost” means the aggregate total cost of the supplies or services to be provided or works to be performed under a contract (as distinct from the annual value) estimated prior to its procurement.

“European Directives” means the procurement directives of the European Union and any regulations that implement them within the United Kingdom.

“European List” means a list of contractors compiled by another contracting authority including the Office of Government Commerce, in accordance with European Directives admission to which is the outcome of a selection process which verifies the financial soundness and technical competence of a Contractor.

“European Thresholds” means the threshold limits which the European Union have set for the procurement of goods and services (£173,934) and works (£4,348,350) for public sector authorities.

“Framework Agreements” are where there are multiple suppliers or multiple purchasing organisations contracting under an umbrella set of terms and conditions and for a fixed price.

“MEAT” – Most Economic Advantageous Tender.

“Procurement” means the acquisition of goods, services and works in exchange for payment.

“Select List” means a list of Contractors prepared by the Council for a particular contract only and admission to which is the outcome of a selection process which verifies the financial soundness and technical competence of a contractor.

“Supplier” means an individual or business that provides goods, services or works in exchange for payment.

“Unforeseen Priority” means a situation where all the following criteria are satisfied namely there is an overwhelming and immovable requirement to complete an item of work that such requirement could not have been foreseen within sufficient time to have allowed a competitive procurement process and that the adverse consequences of delaying the

completion of such work significantly outweigh the consequences of not securing effective competition.

“Value For Money” is the term used to assess whether or not the organisation has obtained the maximum benefit from the goods and services it acquires within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value. Achieving Value for Money may be described in terms of the ‘three E’s’ – economy, efficiency and effectiveness:

Appendix A

SUMMARY OF FINANCIAL LIMITS APPEARING IN THE MDDC FINANCIAL REGULATIONS

The following tables summarise the financial limits quoted in these Regulations.

Financial Thresholds

A General Authorisation Limits – To exceed agreed budget for the financial year

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
A1		Up to £10k					X	
A2		£10.01k to £50k				X		
A3		£50.01k to £100k		X	X			
A4		Over £100k	X					

A1 Authorisation to Pay Invoices

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
A11		Up to £10k					X	
A12		£10.01k to £50k				X		
A13		£50.01k to £100k		X	X			
A14		Over £100k	X					

B Bank Payment Limits

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
B1		Up to £50k					X	One nominated signatory required
B2		Over £50k					XX	Two nominated signatories required

C Budget Virements - Within a service unit

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder(s)	S151 Officer	Head of Service	Manager	Comments
C1		Up to 10,000					X	
C2		10,001 to 20,000				X	X	
C3		20,001 to 50,000			X	X	X	
C4		Over 50,000	X		X	X	X	

D Budget Virements - Between service units

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder(s)	S151 Officer	Head of Service	Manager	Comments
D1		Up to 10,000				X	X	
D2		10,001 to 50,000			X	X	X	
D3		Over 50,000	X		X	X	X	

E Till Discrepancies – See 2.4.6

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
E1		£20						If greater than £20 report to Internal Audit.

F Write Off of Individual Bad and Doubtful Debts (Excluding bankruptcy administration or Debt Relief Orders)

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
F1		£3,000					X	Revenues Manager has a limit of £100 in respect of Council Tax and NNDR income.
F2		£3,000.01 to £10,000			X	X		
		£10,000.01 to £50,000		X	X			
F3		Over £50,000	X					

G Stock Deficiencies / Obsolete Stock Written Off

Ref No	Factor	Limit (£)	Cabinet	Cabinet Member	S151 Officer	Head of Service	Manager	Comments
G1		Up to £3,000 on any stock item				X		
G2		Over £3,000 on any stock item			X			
G3		Up to £10,000			X			

		in total for one store location, per occasion						
G4		Over £10,000 up to £25,000 in total for one store location, per occasion		X				
G5		Over £25,000 in total for one store location, per accounting period (April-March)	X	X				

H Equipment Registers

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
H1		Over £500 but less than £20k					X	Service manager to record in equipment register - REVENUE
H2		Over £20k			X			Asset recorded in fixed asset register maintained by Finance CAPITAL

I European Union Procurement Thresholds

Goods	£173,934
Services	£179,934
Works	£4,348,350

J Petty Cash claim limit

Individual Claim Limit	£50
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K Stock Adjustments/Write Offs

Ref No	Factor	Limit (£)	Cabinet	Portfolio Holder	S151 Officer	Head of Service	Manager	Comments
K1		Up to £10k					X	
K2		£10.01k to £50k			X	X		
K3		£50.01k to £100k		X	X			
K4		Over £100k	X					

L De Minimis refund limit

Individual Claim Limit	£30.00
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M De Minimis Invoice Limit

Invoice amount	£250.00
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Mid Devon District Council

VAT Guidance

February 2013

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Article II. 1.0 VALUE ADDED TAX (VAT) FOR MDDC

1.1 We realise that VAT is a complex subject which affects every service within the Council therefore these notes have been compiled to assist you.

1.2 Any area where you are unsure, or where a query falls outside this guidance I would ask that you contact the Councils VAT Administrator within the Finance Service. This should assist in avoiding assessments and penalties imposed by H M Revenue and Customs (HMRC) which would be charged to your budget.

1.3 Section 33 Bodies (Local Authorities, Police & Fire Authorities, National Park Authorities)

Section 33 of the VAT Act 1994 enables Mid Devon District Council to recover Input Tax on most expenditure. Consequently it is very important that you obtain correct VAT Invoices from your suppliers or, where necessary, obtain a proper VAT receipt to maximise recovery of VAT which assists your budget. There is also the possibility of penalties from HMRC if you have failed to obtain correct VAT documentation.

1.4 As regards Income when sending out an Invoice you need to make sure that the VAT liability is correct to ensure that the VAT charged is paid over to HMRC during our monthly VAT return. Due to completing a monthly VAT return it is essential that all invoices are raised promptly.

Article III. 2.0 BASICS OF VAT

2.1 Input Tax - The VAT on invoices you receive. This is initially paid but the VAT is then recovered from HMRC. MDDC need to ensure to recover all the VAT possible, but can only do so if we hold a proper VAT invoice.

2.2 Output Tax - The VAT on invoices you raise which relate to taxable supplies you have made. This you collect for HMRC when you send out the invoice or receive the income whichever happens first. This has to be paid to HMRC.

Article IV. 3.0 MID DEVON DISTRICT COUNCIL - VAT REGISTRATION NUMBER

3.1 MDDC VAT registration number is **142 2039 12**. It should be quoted on all invoices you issue.

3.2 MDDC VAT codes and rates are as follows:

VAT code	Rate	Description
3	20%	Standard Rate
4	5%	Lower Rate
7	0%	Zero Rate
8	0%	Exempt
9	0%	Outside the Scope
1	15%	15 % Rate - not currently in use
2	17.5%	17.5% Rate - not currently in use

3.3 Standard rate of VAT - If you are registered for VAT, you have to charge VAT at the standard rate on all goods and services you supply, unless they fall into another category

3.4 Zero rate of VAT - There are some goods and services that are zero-rated. This means that they're taxable for VAT, but the VAT rate is zero per cent. Sometimes the reduced rate only applies in certain circumstances, or it may depend on who the customer is. It's important to read the detailed rules.

If you sell zero-rated goods or services, you can generally reclaim VAT on any purchases that relate to those sales.

3.5 Exempt goods and services - There are some goods and services that are exempt from VAT. Exempt goods and services are not taxable for VAT, so if you supply them, then:

- you don't charge any VAT on them
- you don't include them in your VAT accounts
- you can't normally claim back the VAT on related purchases

Goods and services that are exempt from VAT include:

- insurance (but there is an Insurance Premium Tax (IPT) that may apply instead)
- some services from doctors and dentists

- some types of education and training

3.6 Goods and services outside the scope of VAT - Some goods and services aren't covered by the UK VAT system at all - they're outside the scope of VAT. You don't charge VAT on goods or services that are outside the scope of VAT. If you buy anything that's outside the scope of UK VAT, you won't be charged UK VAT so you can't claim it back. Goods and services outside the scope of VAT include:

- donations to charity freely given by a business where the giver does not receive anything in return
- statutory fees and services, e.g. MOT testing, congestion charge
- tolls for bridges, tunnels and roads operated by public authorities
- low cost welfare services provided by charities

Goods or services you supply within the EU may be inside or outside the scope of UK VAT, depending on the particular transaction.

3.7 You need not charge VAT on services provided to another part of MDDC. VAT Classification Outside the Scope, VAT 9 should be used.

Article V. 4.0 EXPENDITURE - DOCUMENTATION REQUIRED TO CLAIM THE VAT BACK FROM HMRC

4.1 All invoices must be addressed to Mid Devon District Council and supported by valid documentation.

4.2 Receipts

Receipts of a standard acceptable to HMRC are produced for you to use. Official Receipts contain the following details:-

- (a) VAT registration number;
- (b) Supplier's name;
- (c) Customer's name;
- (d) Date;
- (e) Receipt Number;
- (f) Amount excluding VAT;
- (g) VAT amount;
- (h) Rate of VAT;

- (i) Description of the goods/service.

4.3 Tax Invoices

Tax Invoices should contain the following information:-

- (a) An identifying (invoice) number;
- (b) The supplier's name and address;
- (c) The customer's name and address;
- (d) The supplier's VAT registration number;
- (e) Date of issue;
- (f) The date of the supply (the Tax Point);
- (g) It should be addressed to Mid Devon District Council. Proof may be required by HMRC in any other circumstances;
- (h) Quantities and amounts payable excluding VAT for each type of goods or services supplied;
- (i) A description of the goods and services supplied;
 - (j) The amount payable excluding VAT;
 - (k) The rate of cash discount (if any);
 - (l) The rate and amount of VAT charged.

4.4 Supplies with different VAT liabilities i.e. Exempt, non-business, zero rated or standard rated must be identified separately on the invoice.

4.5 If the invoice does not meet all of the criteria then VAT is not recoverable. In this instance the VAT Class – 9 Outside the Scope should be used.

4.6 Less Detailed Tax Invoices (Including Till Rolls)

If you have a document supporting a transaction which including the VAT is less than £250 then the detail requirements for recovery of VAT are less stringent. The details required in such instances are as follows :

- (a) The supplier's name and address;
- (b) The supplier's VAT registration number;
- (c) Date of supply;

- (d) A description which identifies the goods or services supplied;
- (e) Charge made, including VAT;
- (f) The rate of VAT (not imperative on till receipts where often it does not appear).

However if any of the details are missing you will not be able to recover the VAT.

4.6 For the examples listed below you do not need a tax invoice for supplies of £25 or less (including VAT). You must be sure that the supplier is VAT registered and that any charge to you does include VAT.

- Telephone calls from public or private telephones;
- Purchases from coin operated machines;
- Car Park charges

Article VI. 5.0 PETTY CASH

5.1 When purchases are made from Petty Cash, proper VAT invoices/receipts should be obtained where VAT is included in the charge. If it proves impossible to obtain a proper VAT invoice or receipt for a taxable supply, then the expenditure in total must be put to VAT code 9. Proper Tax Invoices/Receipts may be of the less detailed type if the supply is less than £250 (including VAT).

Article VII. 6.0 VAT CALCULATION – HOW TO EXTRACT VAT FROM A GROSS FIGURE

6.1 Sometimes VAT has to be calculated from a price which includes it. The VAT fraction for 20% is $1/6$. So where an invoice is received with a gross total of £100.00, £100.00 divided by 6 = £16.67, therefore the net is £83.33.

To prove this, multiply £83.33 by 20% = £16.67.

Article VIII. 7.0 SALES - TAX POINTS

7.1 Sales invoices should be raised wherever possible before the goods or services are provided. Where goods or services are provided in advance Finance must be advised within 7 days to raise an invoice. The invoice must be raised within 14 days or the original supply date will become the tax point and has implications for the VAT return. When raising invoices wherever possible your invoices should show not only the date of the invoice but the date of the supply within the details area.

7.2 The Tax Point is the date a transaction takes place for VAT purposes, defined as follows:

- For transactions where no VAT invoice is issued (for example, sales to customers who aren't registered for VAT) – the time of supply is normally the date the supply physically takes place (as defined below)
- For transactions where there is a VAT invoice – the time of supply is normally the date of the invoice, even if it is before or after the date the supply physically took place (as defined below)

7.3 For goods, the time when the goods are considered to be supplied for VAT purposes is the date when one of these happens:

- The supplier sends the goods to the customer
- The customer collects the goods from the supplier
- The goods are made available for the customers use

7.4 For services, the date when the services are considered to be supplied for VAT purposes is the date when the service is carried out and all the work except invoicing is finished.

7.5 For transactions where a VAT invoice is issued and payment is received in advance, the time of supply is the date the payment is received or the date the invoice is issued – whichever is the earlier.

7.6 There can be exceptions to these rules therefore please check with your Accountant should you have any queries.

Article IX. 8.0 SECOND-HAND GOODS

8.1 When you sell obsolete goods they are normally standard-rated unless they are zero-rated items such as books.

8.2 If a VAT registered supplier sells to you but they operate what is known as a Second-hand Scheme no tax invoice will be given to you and VAT classification 9 – Outside the scope should be used. If they do not operate a second-hand scheme the normal VAT rules apply and normally the supply will be taxed. Second-hand Schemes that may affect MDDC are in place for purchasing cars and works of art.

Article X. 9.0 INTERNATIONAL TRADE

9.1 Import of goods from non-EU Countries

VAT on imports of goods from non-EU countries is normally charged at the same rate as if the goods had been supplied in the UK. MDDC can reclaim the VAT paid on the imported goods as Input Tax with supporting documentation in the form of an import VAT certificate, form C79.

9.2 Import of goods from EU Countries

When receiving goods from countries inside the EU VAT will normally be paid at the time the goods come into the UK. The Vat rate payable is the same rate that you would have paid had the goods been supplied by a UK supplier. This VAT is known as acquisition Tax.

9.3 Imported goods from another E.U. Country may be relieved of foreign VAT provided the foreign supplier is informed at order stage of MDDC VAT Registration Number GB GD142 2039 12. This number should be included on all orders when importing goods.

9.4 If the acquisition of goods is over £600,000 information is required for the completion of compulsory Intrastat Form for HM Revenue and Customs VAT Statistical Unit. It is, therefore, essential when dealing with imports of goods from E.U. Countries that prompt and accurate action is taken. There are financial penalties should MDDC make inaccurate returns to VAT Statistical Unit.

9.5 Import of Supplies from outside the UK

When buying services from an overseas supplier with an EU VAT registration number it is not possible to reclaim the VAT shown on the invoice through the VAT return. By supplying our VAT registration number, GBGD142 2039 12 we will avoid being charged VAT in the first place. This number should be

included on all orders when importing supplies. A copy of the invoice should be forwarded to the Councils VAT Advisor in order to take the necessary action to account for and recover VAT through the EU reverse charge provision.

9.6 Please contact the Councils VAT Administrator if you are planning to export goods or services outside the UK.

10.0 ACCOUNTING FOR VAT ERRORS

10.1 If you discover a potential error or adjustment when accounting for VAT please contact the Councils VAT Administrator for further advice. There are specific guidelines imposed by HMRC on how errors should be corrected and disclosed. If VAT errors go undetected and are picked up by HMRC during an inspection visit this could result in a VAT penalty as well as interest on the amount of the error.

11.0 VAT RECORD MAINTENANCE AND RETENTION REQUIREMENTS

11.1 Locally held VAT documents must be kept for a minimum of 6 years plus year of account.

11.2 If any accountancy records are held on computer software then back-ups of the disks must be held for the required period.

11.3 It must be remembered that any failure to account for VAT in a timely and prescribed manner may expose you to penalties and interest charges by H M Revenue and Customs.

Article XI. 12.0 BAD DEBT RELIEF

12.1 Relief from VAT is given on bad debts provided the debt has been written off. This means that the authority will be able to claim relief for such a debt 6 months from the time payment is due on debts written off from your budget but no later than 4 years 6 months. You are advised that you must keep a separate record of these 'write-offs'. VAT must not be recovered before the 6 months has elapsed.

Article XII. 13.0 PARTIAL EXEMPTION RULES

13.1 Bodies covered by Section 33 of the VAT Act 1994 are subject to partial exemption rules. These rules have a huge effect for any capital projects that result in the making of exempt supplies. The outcome of a partial exemption calculation and may mean the difference between being able to claim all the input VAT back on a project and being able to claim back none, or worse still having to repay input VAT relating to exempt supplies across the Council if

it is found at year end that we have exceeded our de-minimis limit. For these reasons if you are planning a capital project please contact your VAT Administrator.

14.0 OPTION TO TAX

14.1 Supplies of land and buildings, such as freehold sales, leasing or renting, are normally exempt from VAT. This means that no VAT is payable. As a Section 33 body, partial exemption rules mean that we can recover VAT incurred on expenses relating to exempt supplies as long as we don't exceed our de-minimis limit. When considering undertaking a large capital project it may be worth considering opting to tax, to enable VAT on expenditure to be reclaimed without exceeding our de-minimis limit. However once you have opted to tax all the supplies you make of your interest in the land or buildings will normally be standard-rated. And you will normally be able to recover any VAT you incur in making those supplies.

14.2 An Option to Tax will not apply if you supply a building, or part of a building, that is designed or adapted and intended for use as a dwelling (such as a house), or as a number of dwellings (such as a block of flats).

14.3 Please contact the Councils VAT administrator if you are considering a capital project and need advice on whether the option to tax should apply.

15.0 VAT LIABILITY OF FOOD ITEMS

15.1 Although the supply of most food and drink of a kind used for human consumption is zero-rated, there are some exemptions, taxable items include :-

- Alcoholic drinks
- Bottled water
- Chocolate coated biscuits
- Chocolates
- Confectionery
- Crisps and similar products
- Fruit juices
- Ice cream
- Ice lollies and similar frozen products
- Popcorn and similar savoury products
- Salted and roasted nuts

Soft drinks (inc. Alcohol Free Beer)
Sweets

15.2 Other foods will be zero-rated including :-

Biscuits without chocolate (including savoury biscuits)
Cakes (including chocolate cakes)
Cocoa
Coffee
Drinking Chocolate
Milk
Pork Scratchings
Tea

15.3 Other supplies are standard rated because they are made in the course of catering. Examples of supplies in the course of catering include:

- Supplies made in restaurants, cafes, canteens and similar establishments (except supplies of cold take-away food).
- Third party supplies of catering for events and functions, such as parties or conferences.
- A supply of cooking and/or preparation of food provided to a customer at the customer's home, for example for a dinner party.
- Delivery of cooked ready-to-eat food or meals (with or without crockery or cutlery).

Any supply of food and/or drink as part of a contract for catering is standard-rated

Article XIII. 16.0 EXPENDITURE

The invoice supplied should detail the VAT to be paid.

Use the list below as a guide to what you should expect to pay and contact the supplier or the Councils VAT Administrator if there are any discrepancies.

Where the supplier is not VAT registered, pro-forma Invoices are used or there is no VAT documentation put total expenditure to VAT Classification – OUTSIDE SCOPE, Code 9.

	VAT CLASS	CODE
Advertising	STANDARD	3
Bank Charges	EXEMPT	8
Books	ZERO	7
Building Repairs	STANDARD	3
Car Parking, generally	STANDARD	3
Cleaning Materials	STANDARD	3
Computers	STANDARD	3
Council Tax	OUTSIDE SCOPE	9
Course/Conference Fees (for VAT Class be guided by invoice)	EXEMPT/STD	8/3
Data Protection Act Registration Renewals	OUTSIDE SCOPE	9
Derv (Diesel)	STANDARD	3
Development of Photographs	STANDARD	3
Electrical Goods	STANDARD	3
Electricity for domestic use and charity non business use	LOWER	4
Electricity and fuel for business use, usually	STANDARD	3
Examination Fees	EXEMPT	8
Eye Tests	EXEMPT	8
Fire Extinguishers	STANDARD	3
First Aid Medical Requisites	STANDARD	3
Food (See Invoices/Till rolls)	ZERO/STD	7/3
Furniture and Fittings (including repairs)	STANDARD	3
Gifts for staff (VAT is recoverable up to a limit)	STANDARD	3
Guest House/B & B Accommodation (be guided by invoice)	STD/OSCOPE	3/9
Hand Tools/Small Plant	STANDARD	3

Hardware	STANDARD	3
Hire of Cars, Taxis and Minibuses (VAT registered <12 seats)	STANDARD	3
Historical Building Grants	OUTSIDE SCOPE	9
Hotel Accommodation	STANDARD	3
Insurance (Including Insurance Premium Tax)	EXEMPT	8
Laundry and Linen Hire	STANDARD	3
Light Bulbs/Tubes and Fittings	STANDARD	3
Maps	ZERO	7
Medical Requisites	STANDARD	3
MOT's and Road Fund Licenses	OUTSIDE SCOPE	9
Newspapers, Periodicals, Magazines and Journals	ZERO	7
Paint	STANDARD	3
Paper Towels	STANDARD	3
Petrol	STANDARD	3
Photocopying	STANDARD	3
Franking Units and most postage	EXEMPT	8
Cleanmail Advanced	STANDARD	3
Protective Boots and Helmets (BSI Standard)	STANDARD	3
Rail Travel	ZERO	7
Rates (Council Tax)	OUTSIDE SCOPE	9
Refuse Collection	STANDARD	3
Repairs	STANDARD	3
Retirement Gifts for staff (VAT is recoverable)	STANDARD	3
Road, Bridge and Tunnel Tolls	OUTSIDE SCOPE	9
Search Fees	OUTSIDE SCOPE	9
Skip Hire	STANDARD	3
Stationery/Equipment	STANDARD	2
Subscription (be guided by invoice)	EXEMPT/STD	8/3
Tuition Fees (be guided by invoice)	EXEMPT/STD	8/3

TV Licences	OUTSIDE SCOPE	9
Uniforms, Overalls and Protective Clothing	STANDARD	3
Insurances (inc. premium tax)	EXEMPT	8
Tyres	STANDARD	3
Water Rates (including metered supplies)	ZERO	7
Wayleaves/Easements	EXEMPT	8

Article XIV. 17.0 INCOME

This list only contains a summary of the complex VAT rules set by HM Revenues and Custom as at June 2012. Should you have any queries or be unsure of VAT treatment of any item please contact your VAT Advisor as the specific conditions of a situation can bring different VAT treatments.

	VAT CLASS	CODE
17.1 CAR PARKING		
On Street Car Parking	OUTSIDE SCOPE	9
Off Street Car Parking (under dispute should be outside scope)	STANDARD	3
Car park fines	OUTSIDE SCOPE	9
Residents Car Parking	STANDARD	3

17.2 CEMETRIES

Exclusive right of burial	OUTSIDE SCOPE	9
Right to erect a Memorial	OUTSIDE SCOPE	9
Internment of ashes	OUTSIDE SCOPE	9
Maintenance of Graves annual charge	OUTSIDE SCOPE	9
Memorial bench listed price	STANDARD	3
Donations	OUTSIDE SCOPE	9

17.3 HEALTH & COMMUNITY

Licenses for temporary events	OUTSIDE SCOPE	8
Water Quality Monitoring	OUTSIDE SCOPE	9
Air Pollution Fees	OUTSIDE SCOPE	9
Hackney Carriage & private hire	OUTSIDE SCOPE	9
Premises Licence Fee	OUTSIDE SCOPE	9
Removal of abandoned vehicles parked off street	STANDARD	3
Pest Control	STANDARD	3
Tree Cutting under Statutory Powers	OUTSIDE SCOPE	9
Tree Cutting on request from land owner	STANDARD	3

17.4 HOUSING

Damage cost charged to tenant in residence	STANDARD	3
Damage cost charged to tenant who has vacated	OUTSIDE SCOPE	9
Recovery of B&B costs	OUTSIDE SCOPE	9
Service Charges for Communal areas	OUTSIDE SCOPE	9

17.5 LAND & PROPERTY

	VAT CLASS	CODE
Industrial building rent	EXEMPT	8
Council House rent	OUTSIDE SCOPE	9

Garage rent to tenant in proximity to rented property	OUTSIDE SCOPE	9
Garage rent where the above conditions are not met	STANDARD	3
Ground rent on leases	EXEMPT	8
Sale of land (freehold & leasehold)	EXEMPT	8
Sale of land subject to an option to tax (EVLC, Phoenix House & Moorhayes Community Centre)	STANDARD	3
Room Hire where building isn't opted to tax	EXEMPT	8
Room hire where opted to tax	STANDARD	3
Council House Sale (local authority constructed)	OUTSIDE SCOPE	9
Council House Sale (local authority not constructed)	EXEMPT	8
Letting of Market pitches on Street	OUTSIDE SCOPE	9
Letting of Market pitches off Street	EXEMPT	8
Electricity where recharging a tenant or charity on a non metered domestic property charge follows supply of accommodation, usually	OUTSIDE SCOPE	9
Electricity charge to another Authority	LOWER RATE	4

17.6 LEISURE

Zest Membership	STANDARD	3
Direct Debit Membership	STANDARD	3
Admissions to fitness suite	STANDARD	3
Induction and Assessments	EXEMPT	8
Admission to swimming pool	STANDARD	3
Swimming lessons with MDDC instructor or supervised sessions	EXEMPT	8
Swimming lessons unsupervised	STANDARD	3
Holiday activities unsupervised	STANDARD	3
Holiday activities supervised – Funsters	EXEMPT	8

Pool Parties	STANDARD	3
Coaching fees and educational courses	EXEMPT	8
Room Hire at EVLC	STANDARD	3
Room Hire at CVSC & LMLC	EXEMPT	8
Artificial pitch hire (Unless series of lets)	STANDARD	3
Series of lets LMLC, CVSC & EVLC Artificial pitch	EXEMPT	8
Series of lets EVLC including tennis courts	STANDARD	3
Hire of Dance Studio	STANDARD	3
Hire of Dance Studio for coaching	EXEMPT	8
Admin fee on facility hire	STANDARD	3
Sauna	STANDARD	3

17.6 LEISURE (continued)

	VAT CLASS	CODE
Squash (unless series of lets)	STANDARD	3
Tennis	STANDARD	3
Crèche	STANDARD	3
Equipment hire	STANDARD	3
Sale of Caddy Liners	OUTSIDE SCOPE	9

17.7 PLANNING

Building Control Application Fees	STANDARD	3
Building Control Regularisation Applications	OUTSIDE SCOPE	9
Development Control Application Fees	OUTSIDE SCOPE	9
Section 106 contributions	OUTSIDE SCOPE	9
Discharge of conditions	OUTSIDE SCOPE	9
Copies	STANDARD	3

Ordnance Survey Map extracts	STANDARD	3
Local Land Charge Fees	OUTSIDE SCOPE	9

17.8 WASTE SERVICES

Sale of caddy liners	OUTSIDE SCOPE	9
Wheelie Bin Hire	STANDARD	3
Trade Waste	OUTSIDE SCOPE	9
Bulky Waste Collection	OUTSIDE SCOPE	9
Sale of Recycled Materials	STANDARD	3
Sale of compost bins	STANDARD	3

17.9 MISCELLANEOUS

Advertising in MDDC Publications	STANDARD	3
Hire of space on a notice board	STANDARD	3
Donations with benefit to donor	STANDARD	3
Donations with no benefit to donor	OUTSIDE SCOPE	9
Equipment Hire	STANDARD	3
Photocopying	STANDARD	3
Private Telephone Calls	STANDARD	3
Sale of Publications	ZERO	7
Work or staff time recharged to other Authorities or agencies	STANDARD	3
Commercial Vehicle Sales	STANDARD	3
Vending Machines Sales	STANDARD	3
Shorts & Overs	OUTSIDE SCOPE	9

APPENDIX C

Cardholder Guide for Mid Devon District Council employees

Government Procurement Card

Issue to: Building Maintenance Operative

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What is a Purchasing card?

Barclaycard Commercial's Purchasing card is an alternative method to your current buying process of paying for low value, high volume goods or services. By simplifying transaction processing it assists purchasing efficiency and will save your organisation time and money.

The Purchasing card looks like any normal debit/credit card, but is a charge card, which means your total balance on your monthly statement must be settled in full.

Any establishment displaying the VISA symbol, in the UK and globally, will accept your Purchasing card.

Embossed on the card is the following:

- ✓ Your Organisation's Name
- ✓ Your Name and Cost Centre (where applicable)
- ✓ Expiry Date
- ✓ Card Number

Your Purchasing card offers the opportunity to improve both the focus and flexibility of purchasing procedures whilst reducing the volume of purchase orders, invoices and associated paperwork for small value purchases, improving the cost effectiveness of processing these types of transactions.

This is done without compromising the control of Mid Devon District Council money and at the same time, delivers high quality management information provided by Barclaycard Commercial.

Your card is to be used for Commercial expenditure only.

Controls

Each card has a maximum monthly expenditure limit and individual transaction limit.

Monthly Expenditure limit

The total amount you can spend on your card each month.

Transaction Limit

The total amount you can spend on any single purchase.

Both of these limits are inclusive of VAT and any carriage charges and are set by your Programme Manager, Chanelle White who has worked with Accounts Payable/Finance/ Building Managers and has based them upon your current spend.

Your limits are printed on the back of your Terms & Conditions of use document.

Merchant Category Group code blocking

A further control can be applied to your Purchasing card.

Each supplier capable of accepting your VISA Purchasing card will be classified by a certain Merchant Category Group code (of which there are 34). By the way of an additional control, any number of these codes can be blocked or left unblocked to ensure compliance with organisational policies and to mirror each cardholder's buying profile.

Details of your allowed merchant categories are available on request.

Please make a note of these limits/controls.

If you try to purchase goods and services that are outside of these limits, your transaction will be declined and could lead to embarrassment.

As detailed above, if you try to use your card with a supplier whose Merchant Category Group code has been blocked on your Purchasing card, this will also lead to your card being declined.

If this occurs, please contact your Programme Manager immediately to discuss how your card can be updated to reflect your requirements.

The information contained in this document sets out the operating procedures for your Purchasing card.

It is important that you are familiar with and understand the contents of this document, as you are required to sign an acknowledgement form to this effect.

This confirms you have received your card and will be kept on file by your Programme Manager. If there are any areas which you do not understand or require clarification, please do not hesitate to contact your Programme Manager, Chanelle White, via telephone 01884 234228 or email cwhite@middevon.gov.uk.

Why am I receiving a Purchasing card?

The contract for GPC Visa supports aim 3 of the Procurement strategy to “maximise our procurement effectiveness and efficiencies” through increased transaction management and eProcurement.

The use of Barclaycard Commercial’s Purchasing Card will deliver the following benefits in support of this aim:

Organisation

- ✓ Comprehensive Management Information
- ✓ Can identify key spend/suppliers
- ✓ Streamlined Purchasing process
- ✓ Empowers staff
- ✓ Settlement with one monthly payment

Cardholder

- ✓ Reduces administration
- ✓ No need to carry cash/ obtain a call off ticket
- ✓ You know through the purchase of goods process who, when, what you have ordered and more importantly when your goods will arrive
- ✓ Direct contact with your suppliers

Suppliers

- ✓ Paid within three to four working days
- ✓ Improves cash flow
- ✓ Reduces bad debt/late payments

When do I use my Purchasing card?

Your Purchasing card can be used to purchase items:

- ✓ Over the counter, face-to-face – just as you would use a personal debit or credit card

How can I make a purchase using my Purchasing card?

Step 1

Check that your supplier is able to accept VISA.

The easiest way to identify this is to use the preferred supplier list that Mid Devon District Council has already provided to you (on the reverse of your Terms & Conditions of use document).

If you use a supplier regularly and they are not able to accept payment by VISA card, it may be worth asking the supplier if they would be willing to accept future payments by this method.

If the supplier is interested in card payments, please ask them to contact your Programme Manager, Chanelle White, who will provide advice as to how this can be achieved.

Step 2

Check that the total value of the purchase is within your Transaction Limit.

If the value is outside your limit then contact your line Manager who will be able to make the transaction over the phone on your behalf.

Step 3

It is very important that you understand how VAT and Purchasing cards work when you contact a supplier to place an order.

Please familiarise yourself with the section of this document regarding VAT.

This will make it clear as to what evidence you will need to receive from suppliers.

Step 4

Having identified that the supplier can accept VISA, and is within your Transaction and Monthly Expenditure limits and Merchant Category restrictions (if any), you can buy the goods and services.

Order your goods/services quoting your Purchasing card number, relevant job number and expiry date.

Confirm the total amount of the transaction with the supplier.

Step 5

Complete all fields of your transaction log except columns titled “Goods Received and Invoice Received”.

Example of a Transaction Log

DATE	DESCRIPTION OF GOODS	SUPPLIER	COSTCODE	JOB NUMBER	NETT AMOUNT	VAT AMOUNT	GROSS	GOODS RECIEVED

Information about each column:

Date – This is the date that the goods/ services are ordered on

Description of Goods – A brief description of goods being purchased

Supplier – Name of company supplying the goods

Cost Code – Select either Responsive, Voids or Adaptations

Job number – As per the jobsheet that relates to job that you need the goods for

Net amount – Gross amount minus VAT

VAT amount – Total value of VAT

Gross amount – Net amount plus VAT

Goods Received – tick when goods are received

Step 6

Once you receive your goods/services, check that you have received what you ordered and then tick your transaction log to confirm receipt, and retain the Goods Received Note (GRN).

In addition to the GRN, if your supplier was VAT capable, you should have received a priced delivery note “Paid by Purchasing Card”; if the supplier was not able to capture VAT, then you will receive a standard VAT invoice.

Since the 1st July 1998, HM Revenue & Customs (HMRC) have been accepting Barclaycard Commercial Purchasing card VAT reports as evidence for VAT reclaim.

There are two levels of electronic VAT data reporting. These differ in the amount of detail captured by your supplier at the point of sale – these are known as Summary VAT and Line Item Detail.

In the case of Summary VAT, the VAT data electronically transmitted is sufficient legal evidence for all transactions up to the value of £5,000 (including VAT); there is no cap applied to VAT data supplied by Line Item Detail capable merchants.

Retain the transaction log and relevant VAT paperwork in the folder provided.

Step 7

Pass your weekly completed signed transaction log to your Department Administrator, Jackey Salamo by handing into the stores each Friday with the VAT invoices attached.

A photocopy of this document will be returned to you for your reference.

On the 30th of every month you will receive a statement from Barclaycard Commercial addressed to you at your business address.

Upon receipt of your monthly statement, check that the details of each transaction correspond with all of your Transaction Logs for that month.

It is your responsibility to ensure that the details on each monthly statement are correct and that any discrepancies are rectified with the relevant supplier.

If there is an item on your Transaction Log that does not appear on your monthly statement, it should be crossed off the log and transferred into your Transaction Log for the following month, as it will appear on your next statement. This often happens when transactions are made close to the date that your statement is produced.

To help you identify which transactions require you to submit a VAT invoice, if you look at the example of a statement shown below:

Example of a Purchasing card statement

E means VAT was electronically captured. You DO NOT need to submit a VAT invoice

Date	Description	VAT	Amount
11-Dec-03	Cheque Number 002675		1598.00
11-Dec-03	Cheque Handling Fee at 2.00%		19.98
13-Dec-03	Dabs Direct Bolton		163.32
10924600036676	Computer software stores		
13-Dec-03	Refund Icon Commercial Systems	E	53.37
1092510099140	Computer software stores Your Ref.NT569 Supplier Ref.68752680 Order Date 03 12 02		-358.37
15-Dec-03	Orion Media MARKETING 68378412	N	57.95
14092570121637	Advertising services Your ref. ST132 Supplier ref /645213 Order date 03 12 11		389.10

Customer Reference Number (CRN) – this will appear when a supplier is able to capture information supplied by the cardholder at the point of sale, for example your Cost Centre

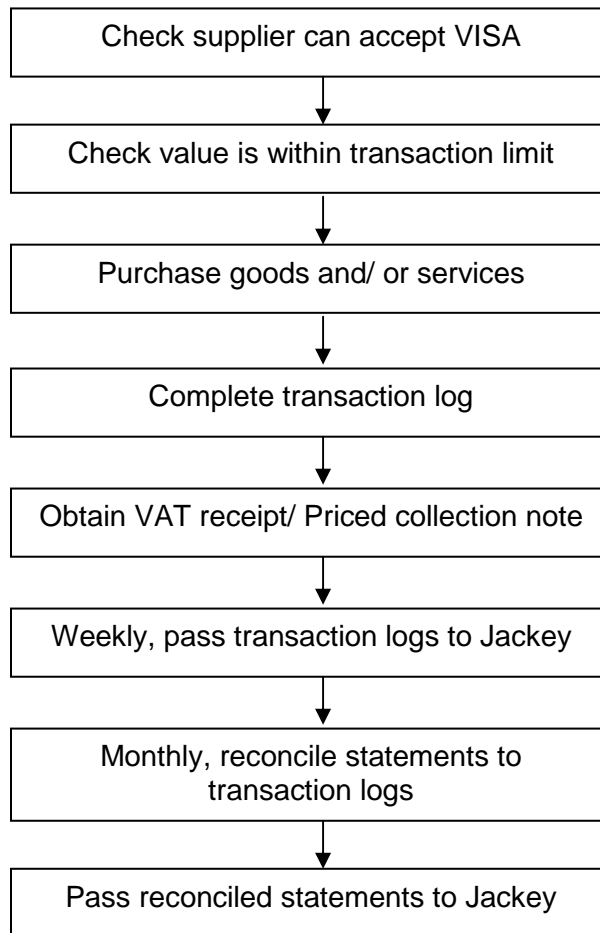
For transactions where there is either an N or a blank, you need to submit a VAT invoice

Credits back onto your card are shown as a minus

Step 8

When you have reconciled your monthly statement against your Transaction Log, attach all relevant VAT invoices to log and monthly statement and submit to your department administrator, Jackey Salamo who will input the data into the Finance system for sign off by your Manager, and the for onward transmission to Accounts Payable / Finance.

Diagram of the purchasing process



How do I deal with Supply of Goods issues?

If there is a problem with the quality of goods/services supplied, you must contact your supplier immediately to request a refund.

If the supplier agrees to issue a refund, you must update your Transaction Log with the credit and ensure receipt of a VAT credit note. You should also ensure that the credit appears on a subsequent statement.

If agreement cannot be reached with the supplier, you must contact your Programme Manager, Chanelle White via email or telephone giving full details of the dispute so that a refund can be pursued via Barclaycard Commercial.

Reconciliation of your Purchasing card

Your Responsibilities

All purchases made with your Purchasing card should be recorded on your Transaction Log, copies of the log can be obtained from Jackey Salamo or Chanelle White.

On the 30th of every month, you will receive your monthly statement. This will detail the transactions you made with your card from the 28th of one month to the 27th of the following.

The information contained on your Transaction log must match the transactions on your statement.

It is possible that due to timing differences, some purchases made between the 26th and the 28th may not appear until the following month's statement. If this is the case, as detailed previously, simply delete the entries on the transaction log and re-enter them on the following month's log.

It is your responsibility as a cardholder to ensure that all details on each monthly statement are correct and that any discrepancies are rectified with the supplier.

If you do not recognise or are unsure of any transactions, please contact your Programme Manager immediately.

What happens if I am absent from work?

If you are absent from work, or know that you will be absent when your statement is due to be reconciled, contact and advise your Department Administrator.

Your Transaction Log must still be processed during the absence period to ensure payment is not delayed and interest is not accrued.

VAT

How does VAT work with Purchasing cards?

Within the Purchasing card scheme, there are two types of suppliers that you will use:

- ✓ VISA Capable - those who accept VISA
- ✓ VISA VAT Capable - those who accept VISA AND also can supply electronic VAT invoice Summary VAT or Line Item Detail data (as previously mentioned).

VISA Capable

VISA capable means that suppliers will accept your VISA Purchasing card, however, they do not have the facility to transmit VAT data electronically. In this instance you must obtain a VAT invoice.

A VAT receipt must contain the following information to substantiate your organisation's VAT claim:

- ✓ Name, address and VAT number of the supplier
- ✓ Time of the supply
- ✓ A description that identifies the goods or services
- ✓ The VAT rate charged and a breakdown of the VAT charge in sterling

Your monthly statement from Barclaycard Commercial will also help you identify whether or not a supplier is VAT capable or not, as detailed within Step 7 of the 'How can I make a purchase using my Purchasing card' section.

If your monthly statement arrives and you realise a supplier was not VAT capable AND you do not have, or have not requested, a VAT invoice, you will have to call and ask them to send you a VAT invoice for that transaction. This should not be a major concern for your supplier though.

Failure to do this will result in your organisation being unable to claim VAT back from HM Revenue & Customs (HMRC).

VISA VAT Capable

HM Revenue & Customs (HMRC) have accepted that suppliers who are able to transmit electronic VAT data do not need to produce additional hardcopy VAT invoices.

As mentioned earlier, this data is captured by Barclaycard Commercial and produced in an “Evidence for VAT” report, which is accepted by HM Revenue & Customs (HMRC) as sufficient evidence for VAT re-claim.

Suppliers who are VISA VAT capable will not supply you with a VAT invoice even if you ask for it. However, they should still provide you with a priced delivery note or an itemised receipt, which will help you reconcile your Transaction Log.

General Purchasing card Administration

Your Programme Manager

Your Programme Manager is Chanelle White

She can be contacted via telephone: 01884 234228 or email: cwhite@middevon.gov.uk

She will maintain a register of all cardholders and their locations, together with relevant Transaction Limits, Monthly Expenditure limits, Merchant Category Group code blocking details and department/cost centre references.

The Programme Manager will liaise on all matters relating to the above with Barclaycard Commercial.

Copy Statements

If you require a duplicate copy of your monthly statement, contact your Programme Manager who will then liaise with Barclaycard Commercial on your behalf.

There is a cost for copy statements.

Security

Upon receiving your Purchasing card, you must immediately sign it.

It is your responsibility as a cardholder to ensure that your card is kept in a secure place.

If the office has a safe, we recommend that your Purchasing card be kept there until required.

Your Purchasing card MUST only be used to purchase goods and services on behalf of the organisation and only used by you, the named cardholder.

Your Purchasing card must not be used by anyone else in your absence.

Any misuse of your Purchasing card will be treated as gross misconduct and subject to normal disciplinary procedures.

Lost/Stolen cards

As the cardholder, you are responsible for ensuring that your card is kept secure at all times.

If you have lost your Purchasing card or had it stolen, you must contact Barclaycard Lost & Stolen immediately on the following number:

08448 222 125
01604 230230

This department is open 24 hours a day, 7 days a week

After contacting Barclaycard, you must inform your Programme Manager immediately who will liaise with Barclaycard Commercial.

If it is the weekend, please advise them on the next working day.

If your Purchasing card has been lost and is then subsequently found after you have notified Barclaycard and your Programme Manager, it must not be used.

You should cut your Purchasing card in half and sent it immediately to your Programme Manager, as a new card will already be on its way to you.

Damaged cards

Article XV. Please contact your Programme Manager to arrange for a replacement card to be sent to you.

Fraudulent Transactions

The same procedures as outlined in the above lost/stolen section must be followed:

In the event of fraudulent use on your Purchasing card, you must contact Barclaycard Lost & Stolen immediately on the following number:

08448 222 125

01604 230230

This department is open 24 hours a day, 7 days a week

After informing your Programme Manager, they MUST contact International SOS who deal with the Corporate Waiver Insurance and ask for a claim form on the following telephone number: 020 8762 8014

To help prevent card fraud we recommend the following advice to our cardholders:

- ✓ Never leave your Purchasing card unattended – for example, in a car or your office where thieves can easily find it
- ✓ Try not to let your Purchasing card out of your sight when paying for goods and services and ensure that your card is returned to you
- ✓ Never discard transaction slips that display the card number - always tear them up when you have completed the reconciliation process
- ✓ Never write down your Purchasing card number
- ✓ Check your monthly card statement as soon as it arrives and query unknown purchases immediately
- ✓ If you suspect your card has been stolen or lost, always report it
- ✓ We recommend programming Barclaycard's lost and stolen number into your mobile - **01604 230230**
- ✓ Your CV2 number of the reverse of your card (3 digit security code proves you have the physical card) should only ever be quoted to a merchant/supplier. Barclaycard/VISA would never ask for this number if you are in any doubt always check before giving out any personal information out.

Damaged Cards

If your Purchasing card is damaged, contact Barclaycard Commercial Customer Services on the following number:

08448 222160

This department is open:

<i>Monday – Friday</i>	<i>08.00 –20.00</i>
<i>Saturday</i>	<i>08.00-18.00</i>

A new card will be issued immediately.

Replacement Cards

A new Purchasing card will be re-issued automatically a few weeks before the expiry date of your current card.

Once your new card becomes valid, your old one must be cut in two and destroyed.

In the event that a replacement Purchasing card does not arrive by the time your current card expires, contact Barclaycard Commercial Customer Services on the following number:

08448 222160

This department is open:

<i>Monday – Friday</i>	<i>08.00 –20.00</i>
<i>Saturday</i>	<i>08.00-18.00</i>

Disputed/Queried Transactions

If your monthly statement shows a transaction that you know you did not make, you should contact the named supplier direct. Where a credit is due the supplier should be asked to raise a refund voucher, this will then be processed back onto your account, and will appear on your next month's statement.

If you cannot resolve your query with the supplier, then you should contact and give full details of the problem to Barclaycard Commercial Customer Services on *08448 222160*.

Change of Situation

Change of details

If there are any changes in your details – for example you move to different role, department, location or change your name - you must contact your Programme Manager immediately.

They will liaise with Barclaycard Commercial to effect the necessary changes.

Leaving

If you are going to leave the organisation, it is your responsibility to contact your Programme Manager and inform them that you have given notice and return your Purchasing card to them immediately upon notice of resignation.

Your transaction log should be completed up to date and passed to your line manager for authorisation.

They will then arrange for your card to be cancelled.

Useful Contacts

Internal

Programme Manager

Chanelle White

Tel: 01884 234228

email: cwhite@middevon.gov.uk

Department P-Card administrator

Jackey Salamo

Tel: 01884 233020

email: jsalamo@middevon.gov.uk

Barclaycard Commercial

Customer Services
PO Box 3000
Teesdale Commercial Park
STOCKTON-ON-TEES
TS17 6YG

Telephone: 08448-222160

Monday – Friday *08.00 – 20.00*
Saturday *08.00 – 18.00*

E-mail: *Cbc.customer@barclaycard.co.uk*

Web site: *www.barclaycardbusiness.co.uk*

Barclaycard Lost / Stolen

Telephone: 01604 230230

Available 24 hours, 7 days per week

APPENDIX D GPC VISA PURCHASING CARD PROGRAMME

CARD HOLDER TERMS & CONDITIONS OF USE

1. You must sign your card immediately on receipt.
2. The card maybe used only by the person named on it to make work-related purchases, you may be asked to produce proof of identification when using your card.
3. The card must not be used for personal purposes.
4. The card is only to be used at approved suppliers, within the spending limits and for the types of goods advised on the back of this form.
5. You must not use your card to purchase products available from the Stores at Old Road
6. You should exercise all reasonable care to ensure the safety of your card. Do not disclose your card details to anyone other when conducting a transaction.
7. You may contact the programme administrator named on this form at any time to query a transaction or confirm your credit limit. You will not be permitted to amend your spending limits or categories.
8. You must surrender your card to your employer immediately on termination of employment or if you move to other duties where use of the card is not necessary.
9. The card remains the property of Mid Devon District Council.
10. A lost or stolen card must be reported immediately by telephone to the bank via the telephone number at the bottom of this form and to your programme administrator. A stolen card must be reported to the Police immediately.
11. Any unauthorised use of this card will be regarded as a breach of contract justifying disciplinary proceedings.

12. You will receive your cardholder statement on 28th of each month which you must check is accurate and sign your agreement that it represents correct use of your card.
 13. You must submit your approved statement to the p-card administrator by the 5th of the following month.
 14. Discrepancies will be raised with the supplier in the first instance. Unresolved discrepancies should be reported to the Bank and your Programme Manager.
 15. You must keep and submit to the p-card administrator at the end of each week all VAT receipts or invoices for each transaction.
 16. You may be liable for any transactions which you do not produce receipts for via deductions from your salary.
 17. Before anything is purchased you need to receive written information from the budget manager. Providing a budget code, instruction to purchase item and spending limit.
 18. At the end of each month please email an electronic version of your transaction log to Procurement@middevon.gov.uk
-

I have read and understood the above responsibilities / Guidelines and agree to use my VISA Purchasing Card accordingly.

SIGNATURE

PRINT NAME:

DATE:

Appendix E

Other Governance Documents

Policy

Full Path

Abandoned Vehicles Policy.doc	http://mddcmoss/sites/phoenix/community/estates/Shared Documents/Estates Policies/Abandoned Vehicles Policy.doc
Adoption Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Adoption Policy.pdf
Agency Workers Regs 1 Oct 2011 policy.doc	http://mddcmoss/sites/phoenix/ceo/nhr/Legislation Changes/Agency Workers Regs 1 Oct 2011 policy.doc
Agency workers regulations FAQ.doc	http://mddcmoss/sites/phoenix/ceo/nhr/Legislation Changes/Agency workers regulations FAQ.doc
Alcohol and Substance Misuse Policy - Dec 2009.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Alcohol and Substance Misuse Policy - Dec 2009.pdf
Alcohol and Substance Misuse Policy - Dec 2009.pdf	http://mddcmoss/sites/phoenix/JNCC Docs/Alcohol and Substance Misuse Policy - Dec 2009.pdf
Anti-Fraud and Corruption Policy.doc	http://mddcmoss/sites/phoenix/ceo/audit/Audit Policies/Fraud and Whistleblowing/Anti-Fraud and Corruption Policy.doc
Anti-Money Laundering Policy.doc	http://mddcmoss/sites/phoenix/ceo/audit/Audit Policies/Fraud and Whistleblowing/Anti-Money Laundering Policy.doc
Application for Parental Leave.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Application for Parental Leave.doc
Archive Statement of Safety Policy February 2003.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety/Archive Statement of Safety Policy February 2003.doc
Asbestos Policy.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety/Asbestos Policy.doc
Assistance for Employees Under Notice of Redundancy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Redundancy and Redeployment policy Assistance for Employees Under Notice of Redundancy.pdf
Bank Holidays for Leisure Employee's.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Working Arrangements/Bank Holidays for Leisure Employee's.pdf
Capability Policy .pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Capability Policy .pdf
Childcare Voucher Policy - HR.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Childcare Voucher Policy - HR.pdf
Childcare Voucher Policy - HR.pdf	http://mddcmoss/sites/phoenix/JNCC Docs/Childcare Voucher Policy - HR.pdf
Circ NJC Maternity 16 Nov 07 amendment to greenbook.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/National and Local Conditions of Service/Circ NJC Maternity 16 Nov 07 amendment to greenbook.pdf
Complaints feedback policy v 1 4.doc	http://mddcmoss/sites/phoenix/community/customer/Shared Documents/Complaints feedback policy v 1 4.doc
Confirmation of additional paternity leave - birth.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave - birth.doc
Confirmation of additional paternity leave.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave - Confirmation of additional paternity leave.doc
Contact List of Designated Persons 220711.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Safeguarding Children and Young People/Contact List of Designated Persons 220711.doc
Corporate Branding Policy Sept 2008.doc	http://mddcmoss/sites/phoenix/ceo/communications/Logo and Corporate Branding/Corporate Branding Policy Sept 2008.doc
COSHH Policy Mar09.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety/COSHH Policy Mar09.doc
Customer Care Policy 2010 v2.doc	http://mddcmoss/sites/phoenix/community/customer/Shared Documents/Customer Care Policy 2010 v2.doc
Data Protection Policy 2008.pdf	http://mddcmoss/sites/phoenix/ceo/ict/Policies/Data Protection Policy 2008.pdf

Data Quality Policy.doc	http://mddcmoss/sites/phoenix/ceo/audit/Audit Policies/Data Quality/Data Quality Policy.doc
Declaration form - adoption.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Declaration form - birth.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Dignity at Work Policy.doc	http://mddcmoss/sites/phoenix/ceo/nhr/induction/Induction for New Employees/Dignity at W
Dignity at Work Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Dignity at Work Policy.pdf
Disciplinary policy - Dec 09.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Disciplinary policy - Dec 09.pdf
Disciplinary policy - Dec 09.pdf	http://mddcmoss/sites/phoenix/JNCC Docs/Disciplinary policy - Dec 09.pdf
Discretionary Compensation Arrangements Policy from 1 April 2009.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Discretionary Compensation Arrangeme
DSE Regulations Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/DSE Regulations Policy.pdf
Enforcement Policy.pdf	http://mddcmoss/sites/phoenix/corpserv/planning/Shared Documents/Enforcement Policy.p
Family Friendly Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Family Friendly
Fire Risk Assessment Policy Jun 10.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
First-Aid Policy.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
Flexible Working Hours Policy -January 2010 (2).doc	http://mddcmoss/sites/phoenix/ceo/corporate/senior/Shared Documents1/Flexible Working I
Flexible Working Hours Policy -January 2010.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working Hours Policy -January
Flexible Working Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Flexible Working Policy
Form for an employee to request additional paternity leave in respect of a birth child.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Form for an employee to request additional paternity leave in respect of an adopted child (adoption from overseas).doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Form for an employee to request additional paternity leave in respect of an adopted child (adoption within the UK).doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Form for an employee to request to vary the dates of additional paternity leave.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Form FW (A) - Flexible Working Application Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW (A) - Flexible
Form FW (B) - Flexible Working Application Acceptance Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW (B) - Flexible
Form FW (C) - Flexible Working Application Rejection Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW (C) - Flexible
Form FW (D) - Flexible Working Appeal Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW (D) - Flexible

Form FW (E) - Flexible Working Appeal Reply.doc
Form FW (F) - Extension of Time Limit Form.doc
GCSx AUP n personal committment statement.pdf
gcsx policyl.doc
Gov Connects Sept 08.ppt
Grievance Policy.pdf
Guidance notes on the return to work interview.pdf
Health and Safety Policy.doc
Hirers Liability Policy.pdf
How to Refuel Doc.doc
HR Strategy Action Plan 2009-2010.doc
HR Strategy.doc
ICT 0001 Computer Security Policy 07.doc
ICT 0002 Software Compliance and Legalisation Policy v2.2.pdf
ICT 0004A EMail Use Policy v5.1.pdf
ICT 0004B Internet Use Policy v5.1.pdf
ICT 0004B Internet Use Policy v5.1.pdf
ICT 0007 BackupPolicy.doc
ICT 0014 Information Security Incident Policy v1.0.pdf
ICT 0015 Removable Media Policy v1.0.pdf
ICT 0016 Social Media Policy Guidelines V2.1a.doc
ICT 004a Signed MDDC Email Policy v5.1 Jan 10.pdf
ICT Strategy 2011-2016.doc
ICT Strategy 2011-2016.doc
ICT008 Information Security Policy.doc
ICT011 Mobile n Home Working.doc
ICT012 LLPG n Addressing stdsPolicy.doc
Image Storage Policy_2011.doc
Induction Policy.pdf

[http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW \(E\) - Flexible](http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW (E) - Flexible)
[http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW \(F\) - Extensi](http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Flexible Working/Form FW (F) - Extensi)
<http://mddcmoss/sites/phoenix/govcon/Shared Documents/Policies/GCSx AUP n personal c>
<http://mddcmoss/sites/phoenix/ceo/ict/ICT Projects/Gov Connect/gcsx policyl.doc>
<http://mddcmoss/sites/phoenix/govcon/Shared Documents/Presentations/Gov Connects Se>
<http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Grievance Policy.pdf>
<http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Guidance notes>
<http://mddcmoss/sites/phoenix/ceo/nhr/induction/Induction for New Employees/Health and S>
<http://mddcmoss/sites/phoenix/ceo/procurement/Insurance/Hirers Liability Policy.pdf>
<http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Pool Car Policy and documents/How to>
<http://mddcmoss/sites/phoenix/ceo/nhr/Human Resources Strategy/HR Strategy Action Plan>
<http://mddcmoss/sites/phoenix/ceo/nhr/Human Resources Strategy/HR Strategy.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0001 Computer Security Policy 07.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0002 Software Compliance and Legalisa>
<http://mddcmoss/sites/phoenix/JNCC Docs/ICT 0004A EMail Use Policy v5.1.pdf>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0004B Internet Use Policy v5.1.pdf>
<http://mddcmoss/sites/phoenix/JNCC Docs/ICT 0004B Internet Use Policy v5.1.pdf>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0007 BackupPolicy.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0014 Information Security Incident Policy>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0015 Removable Media Policy v1.0.pdf>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 0016 Social Media Policy Guidelines V2>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT 004a Signed MDDC Email Policy v5.1 Ja>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT Strategy 2011-2016.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT Strategy 2011-2016.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT008 Information Security Policy.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT011 Mobile n Home Working.doc>
<http://mddcmoss/sites/phoenix/ceo/ict/Policies/ICT012 LLPG n Addressing stdsPolicy.doc>
http://mddcmoss/sites/phoenix/ceo/ict/Policies/Image Storage Policy_2011.doc
<http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Induction Policy.pdf>

Ineligibility for statutory paternity leave and or pay.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Job Evaluation Agreement.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/je/Job Evaluation Agreement/Job Evaluation Agree
Letter requesting evidence of eligibility for additional paternity leave in respect of a birth child.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Letter requesting evidence of eligibility for additional paternity leave in respect of an adoption from overseas.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Letter requesting evidence of eligibility for additional paternity leave in respect of an adoption overseas.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
List of Policies.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave http://mddcmoss/sites/phoenix/ceo/ict/Policies/List of Policies.doc
Local Conditions of Service (2006).doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/National and Local Conditions of Service
Lone Working Policy Oct08.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
Managers Weekly Sickness Return Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Managers Week
Manual Handling Policy Feb09.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
MDDC Coco Guidance.xls	http://mddcmoss/sites/phoenix/govcon/Shared Documents/Coco for MDDC/MDDC Coco Gu
MDDC Coco Guidance.xls	http://mddcmoss/sites/phoenix/govcon/Shared Documents/Coco for MDDC/MDDC Coco Gu
MDDC DSE Policy.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
MDDC E-learning policy.doc	http://mddcmoss/sites/phoenix/e-Learning Zone/Documents/MDDC E-learning policy.doc
MDDC FOI Policy.pdf	http://mddcmoss/sites/phoenix/ceo/ict/Policies/MDDC FOI Policy.pdf
MDDC HS Policy 2010.pdf	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
MDDC IS Strategy2006-9 V03.doc	http://mddcmoss/sites/phoenix/ceo/ict/Policies/MDDC IS Strategy2006-9 V03.doc
MDDC Maternity Guide For Employees v5 - April2010.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/MDDC Maternity
National Conditons of Service Green Book terms.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/National and Local Conditions of Service
No Smoking Policy.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
Ordinary Statutory Paternity Pay-ordinary paternity leave form SC3.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Ordinary Statuto
Parental Leave Guidance for Employees.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Parental Leave
Parental Leave Guidance for Managers.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Parental Leave
Parental Leave Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Parental Leave
Part-time Workers and bank holiday entitlement.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Working Arrangements/Part-time Worke
Paternity Policy - july 2011.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave

Paternity RightsSelf cert dorn in respect of a employee's eligibility for additional paternity leave - adoption.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Paternity RightsSelf cert dorn in respect of a employee's eligibility for additional paternity leave - birth child.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave
Pay Supplement Policy from 1 April 2009.doc	http://mddcmoss/sites/phoenix/ceo/nhr/ie/grading/Policies/Pay Supplement Policy from 1 April 2009
Pay Supplement Policy from 1 April 2009.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Pay Supplement Policy from 1 April 2009
Permit to Work Policy 2011.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
POLICY ON THE INTRODUCTION AND USE OF TRACKING DEVICES ammended 24 feb.doc	http://mddcmoss/sites/phoenix/JNCC Docs/POLICY ON THE INTRODUCTION AND USE OF TRACKING DEVICES ammended 24 feb.doc
Policy on the Recruitment of Ex-Offenders.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Policy on the Recruitment of Ex-Offenders
Pool Car Driver Registration.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Pool Car Policy and documents/Pool Car Driver Registration
Pool Cars Information.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Pool Car Policy and documents/Pool Car Information
Pool Vehicle Policy.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Pool Car Policy and documents/Pool Vehicle Policy
Records Management Policy ICT0009.pdf	http://mddcmoss/sites/phoenix/ceo/ict/Policies/Records Management Policy ICT0009.pdf
Redundancy and Redeployment Policy and Procedures.doc	http://mddcmoss/sites/phoenix/ceo/hr/Shared Documents/Redundancy and Redeployment Policy and Procedures
Redundancy Policy and Procedures.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Redundancy and Redeployment policy and procedures
Reference Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Reference Policy.pdf
RIPA Policy.doc	http://mddcmoss/sites/phoenix/corpserv/legal/Shared Documents/RIPA Policy.doc
Risk Assessment New and Expectant Mothers.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Risk Assessment New and Expectant Mothers
Risk Assessment Policy Apr09.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
Safeguarding Children and Young People Policy and Procedures - July 2011.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Safeguarding Children and Young People Policy and Procedures
Safeguarding Children and Young People Policy and Procedures 261011.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Safeguarding Children and Young People Policy and Procedures
Safeguarding Children and Young People Policy and Procedures.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/induction/Induction for New Employees/Safeguarding Children and Young People
Safety Policy updated November 2007.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety
Secondment Policy Guidelines.doc	http://mddcmoss/sites/phoenix/JNCC Docs/Secondment Policy Guidelines.doc
Self Certification Declaration Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Self Certification Declaration Form
Sickness Absence Management Policy - For Employees.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Sickness Absence Management Policy - For Employees
Sickness Absence Management Policy - Manager	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Sickness Absence Management Policy - Manager

Guidelines.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Sickness Absenteeism Guidelines.pdf
Sickness Absence Management Policy and Precedure.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Sickness Absenteeism Policy and Precedure.pdf
Sickness Absence Management Procedure.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Sickness Absenteeism Procedure.pdf
Sickness absence monitoring return to work procedures - flow chart.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Sickness absence monitoring return to work procedures - flow chart.pdf
StandardNotificationLetter - July 2009.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/StandardNotificationLetter - July 2009.doc
StandardPaternityLeave(Adoption)RequestLetterMAR04.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity Leave(Adoption)RequestLetterMAR04.doc
StandardPaternityLeaveRequestLetterMAR04.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity LeaveRequestLetterMAR04.doc
Statutory Paternity Pay and paternity leave form (SC4).pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Statutory Paternity Pay and paternity leave form (SC4).pdf
Statutory Paternity Pay and paternity leave form (SC4).pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Paternity LeaveRequestLetterMAR04.doc
Stress Policy.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety Policies/Stress Policy.doc
Sustainable Procurement Policy MDDC.doc	http://mddcmoss/sites/phoenix/ceo/procurement/How It Works/Sustainable Procurement Policy MDDC.doc
Sustainable Procurement Policy MDDC.doc	http://mddcmoss/sites/phoenix/ceo/procurement/How It Works/Sustainable Procurement Policy MDDC.doc
Term Time Working Policy.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Term Time Working Policy.pdf
Term Time Working Policy.pdf	http://mddcmoss/sites/phoenix/JNCC Docs/Term Time Working Policy.pdf
Time Off for Emergencies.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Family Friendly policies/Time Off for Emergencies.pdf
Tree Policy .doc	http://mddcmoss/sites/phoenix/community/estates/Shared Documents/Estates Policies/Tree Policy .doc
Types of Illnesses.xls	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Sickness Absenteeism/Types of Illnesses.xls
Vacancy Approval Form.doc	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Vacancy Approval Process/Vacancy Approval Form.doc
Vacancy Approval Guidance V6.pdf	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Vacancy Approval Process/Vacancy Approval Guidance V6.pdf
Vacancy Approval Process Flow.xls	http://mddcmoss/sites/phoenix/ceo/nhr/HR Profiles/Vacancy Approval Process/Vacancy Approval Process Flow.xls
VAT Guidance	To be finalised
Violence Policy Oct08.doc	http://mddcmoss/sites/phoenix/corpserv/hs/Corporate Health and Safety/Health and Safety Policies/Violence Policy Oct08.doc
Whistleblowing Policy.doc	http://mddcmoss/sites/phoenix/ceo/audit/Audit Policies/Fraud and Whistleblowing/Whistleblowing Policy.doc