

REDDITCH BOROUGH COUNCIL

FINANCIAL REGULATIONS

Part 11

*(Last revised Council May 2006 –
Further significant updates pending, following*

- *Shared Service management restructurings*
- *Changes of Officer titles*
- *Changes in Section 151 Officer arrangements *,*
- *etc.)*

General Notes:

1) Any reference to specific legislation, or other statutory provisions in the attached Regulations shall be automatically deemed to refer to the relevant aspects of any successive legislation or statutory provisions.

2) Reference to specific Officers in the attached regulations shall be automatically deemed to refer to any successor Officer(s) who is/are charged with the same responsibilities, following any future re-organisation, save that, for the sake of clarity and proper control, in the case of any future ambiguity about who shall exercise a particular responsibility, the delegation shall refer to the *higher* ranking Officer(s).

(The Director of Finance and Resources is now Section 151 Officer and all references to the Borough Director / Chief Executive Officer in this capacity should now be taken to refer to the Director of Finance and Resources – the new Financial Procedure Rules will deal with this update in due course.)

3) This set of Financial Regulations is as approved by the Council meeting held on 22nd May 2006, and requires further update, particularly in relation to the change of Section 151 Officer responsibilities.

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REDDITCH BOROUGH COUNCIL

FINANCIAL REGULATIONS

A. 1. GENERAL

1. Subject to the Council's Constitution, the Council shall regulate and control its finances and accounts in all its Directorates and shall co-ordinate financial and accounting arrangements. Such arrangements shall be under the supervision of the **Chief Executive** ~~Borough Director (BD)~~ **(CX)**, or other Officer(s), duly authorised by him/her in writing.

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2. FINANCIAL SUPERVISION

It shall be the duty of each Director to confer with the ~~BD~~ **CX** before introducing or amending any books, forms or procedure relating to accounts, and it shall be the duty of the ~~BD~~ **CX** to see that a uniform system is adopted as far as possible throughout the Council. The ~~BD~~ **CX** shall determine the form of, and the method of ordering and controlling, all official receipt forms or books, tickets, cheques and licences for which fees are chargeable.

B. ACCOUNTING

1. All accounting procedures and records of the Council and its Officers shall be determined by the ~~BD~~ **CX**. Where such procedures and records are maintained in a Directorate other than that of the ~~BD~~ **CX** he/she shall, before making any determination, consult the Director concerned.
2. All accounts and accounting records of the Council shall be compiled by the ~~BD~~ **CX** or under his/her direction.
3. The following principles shall be observed in the allocation of accounting duties:-
- (a) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;
 - (b) Officers charged with the duty of examining and checking the accounts of cash transaction shall not themselves be engaged in any of these transactions.
4. Accounting procedures and records of the Council may be regulated in more detailed form by Accounting Instructions to be issued by the ~~BD~~ **CX**.

C. AUDIT

1. A continuous internal audit, under the independent control and direction of the **BD CX**, shall be arranged to carry out an examination of accounting, financial and other operations of the Council.
2. The **BD CX** or authorised representative shall have authority to:-
 - (a) enter at all reasonable times on any Council premises or land; **Part 11**
 - (b) have access to all records, documents and correspondence relating to any financial and other transactions of the Council;
 - (c) require and receive such explanations as are necessary concerning any matter under examination; and
 - (d) require any employee of the Council to produce cash stores or any other Council property under his control.
3. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the authority, the Director concerned shall forthwith notify the **BD CX** who shall take such steps as are considered necessary by way of investigation.

D. INCOME

1. The collection of all money due to the Council shall be under the supervision of the **BD CX**.
2. Each Director shall furnish the **BD CX** promptly with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due as may be required by him/her to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due.
3. All invoices for income due to the Council shall be sent out by the **BD CX** except where otherwise agreed by him/her. All other billing systems introduced in other service units must be approved by the **BD CX** in advance of their purchase.
4. The **BD CX** shall be notified promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council and the **BD CX** shall have the right to inspect any documents or other evidence in this connection.
5. All receipts forms, books, orders, requisitions for orders, tickets and other such items shall be ordered and supplied to Directorates by the **BD CX**, who shall be satisfied as to the arrangements for their control.

6. Proposed systems involving receipting of income (including new tills/credit card transactions) shall be referred to the ~~BD~~ **CX** for approval in the first instance.
7. Officers will issue official receipts for all monies collected on behalf of the Council and shall without delay pay such monies to the ~~BD~~ **CX** or, as directed, to the Council's banking or National Giro account, or transmitted directly to any other body or entitled person.

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No deduction shall be made from income collected and no expenditure financed from such income unless specifically authorised by the ~~BDCX~~. However, establishments which receipt takings through the Haven receipting system may make refunds from takings to a limit of £30, provided that the refund is processed through the Haven till.

Each Officer who so banks money shall enter on the paying-in slip a reference to the related debt (such as the receipt number or the name of the debtor) and, to indicate the origin of the cheque, on the reverse of each cheque the Officer shall enter the name of his/her Directorate, Office or Establishment. Immediately on receipt all cheques and postal orders shall be crossed with the official stamp. In no case shall lodgement of cash be less frequent than weekly except by agreement with the ~~BDCX~~.

8. Personal cheques shall not be cashed out of the money held on behalf of the Council.
9. Every transfer of official money from one member of staff to another will be evidenced in the records of the Directorates concerned by the signature of the receiving Officer or the issue of an official receipt.
10. Authority to write off debts to the Council of up to and including £1,500 as irrecoverable shall be delegated to the Director of the relevant service (in consultation where necessary with other Directors).
11. Authority to write off debts due to the Council of over £1,500 in any one case, shall be delegated to the Executive Committee.
12. An annual review of income scales and charges should be undertaken by Directors, in consultation with the ~~BD~~-**CX** each year.
13. Each Director shall notify the ~~BDCX~~'s Internal Audit Team as soon as possible of the impending resignation or retirement of any Officer under his/her control who has cash handling responsibilities.

E. BANKING ARRANGEMENTS AND CHEQUES

1. All arrangements with the Council's bankers shall be made by or under arrangements approved by the ~~BD~~-**CX**, who shall be authorised to operate

such banking accounts, including National Giro Accounts, as are considered necessary.

2. All cheques, including National Giro payment forms shall be ordered only on the authority of the **BD CX**, who shall make proper arrangements for their safe custody.
3. Cheques on the Council's main banking accounts, including National Giro accounts, shall bear the facsimile signature of the **BD CX** or be signed by the **BD CX** or other Officer authorised to do so.
4. Cheques drawn above the value of £10,000 must bear two (2) authorised signatures.

F. CONTRACTS FOR BUILDING, CONSTRUCTIONAL OR ENGINEERING WORK

1. Where contracts provide for payment to be made by instalments, the **BD CX** shall arrange for the keeping of a contract register or registers to show the state of account on each contract between the Council and the contractor, together with any other payments and the related professional fees.
2. Payments to contractors on account of contracts shall be made only on a certificate issued by the Director (or private architect, engineer or consultant where engaged by the Council) as appropriate or by an Officer nominated by him/her in writing for the purpose.
3. Subject to the provisions of the contract in each case every extra or variation, shall unless otherwise evidenced to his/her satisfaction, be authorised in writing by the Director, (or private architect, engineer or consultant) as may be appropriate or an Officer nominated by him /her in writing for the purpose.
4. The final certificate of completion of any contract shall not be issued until the appropriate Director has produced to the **BD CX** a detailed statement of account, and all relevant documents if required.
5. The **BD CX** shall, to the extent considered necessary, examine final accounts for contracts and shall be entitled to make all such enquiries and receive such information and explanations as may be required in order to be satisfied as to the accuracy of the accounts.
6. Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be the subject of consultation with the Legal Services Manager for consideration of the authority's legal liability and, where necessary, the **BD CX** for financial consideration before a settlement is reached by the appropriate Director.
7. Where completion of a contract is, in the opinion of the appropriate Director, unreasonably delayed, it shall be the duty of that Officer to take appropriate

action in respect of any claim for liquidated damages and to report his/her action to the Executive Committee.

8. In any case where it is anticipated that the total cost of any work carried out under a contract will exceed by more than 10% the approved contract sum, a report detailing why costs have increased shall be submitted to the Executive Committee immediately.

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9. Except after consultation with the Head of Legal, **Democratic and Property Services**, an Officer shall not authorise work to be commenced or goods supplied where such work or goods are to be the subject of a formal contract, entered into between the Council and the contractor, until the Head of Legal, **Democratic and Property Services** has advised such Officer that the contract has been signed by the contractor.

G. IMPREST ACCOUNTS / CHANGE FLOATS

1. The ~~BD~~ **CX** shall provide such imprest accounts as are considered appropriate for such Officers of the Council as may need them for the purpose of defraying petty cash and other expenses. Such accounts shall be maintained in the imprest system.
2. No income received on behalf of the Council may be paid into an imprest account / change float but must be banked or paid to the authority as provided elsewhere in these regulations.
3. Payments shall be limited to minor items of expenditure (limits to be set by the ~~BD~~ **CX**) as specified from time to time by the ~~BD~~ **CX** and to such other items as the ~~BD~~ **CX** may approve and shall be supported by a receipted voucher to the extent that the ~~BD~~ **CX** may require.
4. Services based within Council buildings with cashiering facilities available will not normally be considered appropriate by the ~~BD~~ **CX** to hold imprest accounts. In these locations petty cash and other expenses may be reimbursed out of income received by the cashier up to the predetermined limits set by the ~~BD~~ **CX** for general expenses and training expenses. Reimbursement will be subject to a relevant voucher being completed and authorised by a recognised signatory and supported by valid receipts where appropriate. Advances from petty cash will not normally be acceptable other than in exceptional circumstances which have been agreed with the ~~BD~~ **CX**.
5. An Officer responsible for an imprest account or change float shall, if so requested, give to the ~~BD~~ **CX** a certificate as to the state of his imprest advance.

6. On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest account or change float, an Officer shall repay to the ~~BD~~ **CX** the amount advanced to him/her.

H. INSURANCES

1. The ~~BD~~ **CX** shall effect all insurance cover and negotiate all claims in consultation with other Officers where necessary. **Part 11**
2. Directors shall give prompt notifications to the ~~BD~~ **CX** of all new risks, properties or vehicles which require to be insured and of any alterations effecting existing insurances. Where special events are being organised, the ~~BD~~ **CX** will require at least 5 working days notice to enable insurance cover to be obtained.
3. Directors shall forthwith notify the ~~BD~~ **CX** in writing of any loss, liability or damage or any event likely to lead to a claim, and inform the Police unless otherwise decided.
4. All employees of the Council (except where determined by the ~~BD~~ **CX**) shall be included in a suitable fidelity guarantee insurance.
5. The ~~BD~~ **CX** shall annually, or at such other period as may be considered necessary, review all insurances in conjunction with other Directors as appropriate.
6. Directors shall consult the ~~BD~~ **CX** and Head of Legal, **Democratic and Property Services** with respect to the terms of any indemnity which the Council is requested to give.

I. INVENTORIES

1. Inventories of all vehicles, moveable plant and machinery, rolling stock, furniture, fittings and equipment owned by the Council (other than stores) shall be kept by each Director in a form approved by the ~~BD~~ **CX**. Items costing less than £200 may be excluded from the inventory after consultation between the appropriate Officer and the ~~BD~~ **CX**.
2. Each Director shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly. All deficiencies shall be reported to the ~~BD~~ **CX** as soon as the loss has been identified.
3. The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Director concerned.

J. STORES

1. The appropriate Director shall be responsible for the care and custody of stores in their Directorate, including regular stock taking on a continuous basis by persons other than the storekeepers, and for ensuring that stores are not held in excess of normal requirements. All stocks should be checked at least once a year and a signed certificate supporting the stores valuation at that date forwarded to the **BD CX**. **Part 11**
2. Stores records shall be kept by the Director concerned in a form approved by the **BD CX**.
3. The **BD CX** shall be entitled to check stores and be supplied with such information relating to stores as he may require for the appropriate adjustments to stores ledgers.
4. Stores, equipment and other property (excluding land and buildings) deemed to be surplus to requirement by the relevant Director shall be disposed of by Competitive tender as provided for under Standing Order 46, subject to the following approval:
 - a) for goods valued at **£1,000 or less** at time of disposal, on the written approval of the Director, or nominated Service Officer, concerned;
 - b) for items valued at **over £1,000** at the time of disposal, with the approval of the Executive Committee.

Items should be valued independently of the Officer(s) responsible for their disposal.

Where there is no interest in the goods or where the residual value is so low as to make advertising and tendering procedures uneconomic then with the agreement of the **BD CX** the Director concerned may offer them to staff via Noticeboards or other organisations if appropriate (i.e. voluntary sector).

N.B. For the purpose of this regulation "goods" means each individual item being disposed of or "goods" of one type.

K. BUDGET

1. The detailed form of capital and revenue estimates shall be determined by the **BD CX** consistently with the general directions of the Council and after consultation with the Corporate Management Team (CMT).
2. Estimates of income and expenditure on revenue account and capital account shall be prepared by each Director, in consultation with the **BD CX**, who shall collate the estimates and report on them to the Executive Committee, such report to include compliance with the financial plan(s) approved by the Council and other financial implications.

3. Upon the approval by the Council of a programme of capital expenditure, the Director concerned shall be authorised:-
 - (a) to take steps to enable land required for the purposes of the programme to be acquired in due time; and
 - (b) to prepare a scheme and estimate including associated revenue expenditure for approval, so long as it is within budget, by the **Part 11** Executive Committee, or otherwise further financial approvals need to be sought from the full Council.
4. Any proposal which would involve the incurring of expenditure during a period in respect of which the Council has approved a budget or a programme of capital expenditure shall be accompanied by a report of the Director concerned indicating the sufficiency or otherwise of the finance provision therefore in the budget and / or programme.
5. Where it appears that the amount of any head of estimate of approved expenditure may be exceeded or the amount of any head of approved income may not be reached, it shall be the duty of the Director concerned after consultation with the **BD CX**, or of the **BD CX** as the case may require, to inform the Executive Committee.
6. The **BD CX** shall furnish each Directorate with periodical statement of receipts and payments under each head of approved estimate and such other relevant information which is available.
7. The **BD CX** shall provide such budget monitoring reports as the Executive Committee shall determine from time to time.
8. (The following new Regulation is subject to further consideration, re its practicality in application:)

In addition, authorised budget holders shall report to the Executive Committee once they achieve 90% spend at cost centre level, or as soon as 10% (or more) savings are identified (both Revenue and Capital budgets). Expenditure of the remainder of the budget will require the further authority of the Executive Committee.

L. VIREMENT

A scheme of virement (i.e. the transfer of some or all of one budget heading to another, leaving the total level of budgeted expenditure unaffected) shall operate in accordance with the ground rules approved by the Policy and Resources Committee on the 2nd of July 1997 and as set out in the Appendix to these Financial Regulations.

M. INVESTMENTS, BORROWING AND TRUST FUNDS

1. All investments of money under its controls shall be made in the name of the Council or in the name of nominees approved by the Executive Committee.
 2. All securities the property of or in the name of the Council or its nominees and the title deeds of all property in its ownership shall be held in custody of the ~~BD CX~~, HLD&P, or Council's bankers as appropriate.
- Part 11**
3. All borrowings shall be effected in the name of the Council.
 4. The ~~BD CX~~ shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council except where determined otherwise.
 5. All trust funds shall wherever possible be in the name of the Council.
 6. All Officers acting as trustees by virtue of their official position shall deposit all securities, etc. relating to the trust with the ~~BD CX~~ / HLD&P, unless the deed provides otherwise.

N. ORDERS FOR WORK AND SERVICE

1. Official orders / purchase requests shall be in a form approved by the ~~BD CX~~ and HLD&P and will only be raised by the Payments Team, except in those circumstances as may be approved by the ~~BD CX~~. Official orders / purchase requests shall only be signed by Officers authorised to do so by the ~~BD CX~~ or relevant Director who shall be responsible for official orders issued from his/her Directorate(s).
2. Official orders shall be issued for all work, goods or services to be supplied to the Council except for periodical payments such as rent or rates, for petty cash purchases or such other exceptions as the ~~Borough Director~~ **Chief Executive** may approve. Telephone orders must be kept to a minimum and must always be supported by a written confirmation order.

Orders may be placed via the Internet, in the name of the Council, to individual suppliers only with the prior approval of the ~~Borough Director~~ **Chief Executive**. (The ~~Borough Director~~ **Chief Executive** will maintain a list of those suppliers with whom orders in the name of the Council may be placed via the internet.)

3. Each order shall conform with the directions of the Council with respect to central purchasing and the standardisation of supplies and materials.
4. Official Orders / purchase requests shall indicate clearly the nature and quantity of the materials, work or services required and any relevant contract or agreed price. Tenders / Quotations shall be obtained in accordance with Standing Order 46 and the terms of acceptance stated on the order.

5. Orders shall not be issued for goods or services unless expenditure is covered by approved annual or supplementary estimate or other special financial provision.

O. PAYMENT OF ACCOUNTS

1. Apart from petty cash and other payments from imprest accounts (see Financial Regulation G.3) the normal method of payment of money due from the Council shall be by cheque or other instrument drawn on the Council's banking account or National Giro account by the ~~BD~~ **CX**. Part 11
2. The Director issuing an order is responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or accounts arising from sources in his Directorate(s). Such certification shall be in manuscript by or on behalf of the Director.

The names of Officers authorised to sign such records shall be sent to the ~~BD~~ **CX** by each Director together with specimen signature and shall be amended on the occasion of any change.

3. The Director issuing an order shall be responsible for the examination, verification and certification of the relative invoices. Certification (save to the extent that the ~~BD~~ **CX** may otherwise determine) shall be deemed to include:-
 - (a) that goods have been received, examined and approved as to the quality and quantity, or the work has been done satisfactorily;
 - (b) that the expenditure is within the estimate or is covered by special financial provisions and is in accordance with the Council's Standing Orders;
 - (c) that prices and expenditure code allocations are correct and all credits for discounts, adjustments, returns or packages have been claimed and taken into account and that VAT is correct and properly accounted for;
 - (d) that all calculations and additions are correct;
 - (e) that proper entries have been made in the inventories or stores records, where appropriate;
 - (f) that an account has not previously been certified for payment;
 - (g) that in the case of charges for gas, electricity and water, the meter readings are confirmed that any standing charges are correct, and that the consumption recorded is reasonable in the light of previous and present experience.

4. The Officer who certifies the invoices correct shall not normally be the person who has certified the receipt of the goods or the completion of the work concerned.
5. Accounts for payment shall have entered on them the order number and such other references as may be necessary and shall be certified.
6. Every Director shall ensure sufficiently prompt payment of any account which is subject to either special agreement or other arrangements which entitle the Council to discounts or special prices conditioned by payment within specified time limits. **Part 11**
7. Duly certified accounts shall be passed without delay to the ~~BD~~ **CX** who shall examine them to the extent that is considered necessary, for which purpose that Officer shall be entitled to make such enquiries and to receive such information and explanation as may be required.
8. Any amendment to an account shall be made in ink and initialled by the Officer making it, stating briefly the reasons where they are not self-evident.
9. Each Director shall, as soon as possible after 31 March and not later than a date specified by the ~~BD~~ **CX** in each year, notify the ~~BD~~ **CX** of all outstanding expenditure relating to the previous financial year.

P. SALARIES, WAGES AND PENSIONS

1. The payment of all salaries, wages, overtime, compensation and other emoluments to all employees or former employees of the Council shall be made by the ~~BD~~ **CX** or under arrangements approved and controlled by that Officer.
2. The appropriate Director, shall notify the ~~BD~~ **CX** in writing and properly certified by an authorised Officer, as soon as possible and in the form prescribed by the ~~BD~~ **CX**, of all matters affecting the payment of such emoluments, and in particular:-
 - (a) appointments, resignations, dismissals, suspensions, secondments and transfers;
 - (b) changes in remuneration, other than normal increments and pay awards and agreements of general applications;
 - (c) information necessary to maintain records of service for superannuation, income tax, national insurance and the like;
 - (d) details of hours worked, or amounts to be paid, to those employees not in receipt of a salary.

3. Each Director shall notify the ~~BD~~ **CX** of absences from duty for sickness or other reason apart from approved leave, in the manner as specified from time to time.
 4. Appointments of all employees shall be made in accordance with the regulations of the Council and the approved establishments, grades and rates of pay.
- Part 11**
5. All pay documents shall be in a form prescribed or approved by the ~~BD~~ **CX** and shall be certified in manuscript by or on behalf of the Director. The names of Officers authorised to sign such records shall be sent to the ~~BD~~ **CX** by each Director together with specimen signature and shall be amended on the occasion of any change.
 6. Timesheets for fortnightly paid employees shall be submitted, duly certified, in a form approved by the ~~BD~~ **CX**, by 12 noon on the Tuesday following the end of the relevant fortnightly period.
 7. Timesheets and overtime claims submitted for payment, that relate to more than two pay periods, will only be paid on the specific approval of the ~~BD~~ **CX** on the recommendation of the relevant Director.

Q. SECURITY

1. Each Director is responsible for the accountability and control of staff and for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under his control. He/she shall consult the ~~BD~~ **CX** in any case where security is thought to be defective and where it is considered that special security arrangements may be needed.
2. Maximum limits for cash holdings shall be agreed with the ~~BD~~ **CX** and shall not be exceeded without express permission.
3. Keys to safes and similar receptacles must be held securely at all times with the relevant Director ensuring that a nominated Officer is identified as the responsible person for keys / security to establishments under his area of authority. In addition provision must be made by the appropriate Director to record movement of keys between Officers in a register. The loss of any such keys must be reported to the ~~BD~~ **CX** immediately.
4. The ~~BD~~ **CX** shall be responsible for maintaining proper security and privacy as respects information held in the computer installation and for its use.
5. All Directors shall be responsible for maintaining proper security and privacy in respect of personal data held on equipment operating automatically and shall report any changes that effect such information to the Data Protection Officer, in accordance with the principles embodied in the Data Protection Act 1998 (and successor legislation).

R. TRAVELLING, SUBSISTENCE AND FINANCIAL LOSS ALLOWANCES

1. All Officers' claims for payment of car allowances, subsistence allowances, travelling, training, attendance allowances, and incidental expenses shall be submitted, duly certified in a form approved by the **BD CX** by 12 noon on the fourth working day of the following month. The name of Officers authorised to sign such records shall be sent to the **BD CX** by each Director together with specimen signature and shall be amended on the occasion of any change. Part 11
2. Payments to Members who are entitled to claim travelling or other allowances will be made by the **BD CX** upon receipt of the prescribed form duly completed.
3. The certification by or on behalf of the Director shall be taken to mean that the certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.
4. Claims submitted that relate to more than 2 months previously will only be paid on the specific approval of the **BD CX** on the personal recommendation of the appropriate Director.

S. PROPERTY

1. The Head of Property Management (~~HPM~~) **Property Services Manager (MPS)** will maintain a terrier of all properties owned by the Council (except dwellings provided under the Housing Acts) recording the, purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.
2. The HLD&P shall have the custody of all title deeds.

T. PROTECTION OF PRIVATE PROPERTY FOUND IN ABANDONED DWELLINGS

1. The appropriate Director shall notify the **BD CX** in such form as may be required of any case known where steps are necessary to prevent or mitigate loss or damage of movable property and shall forward to the **BD CX** an itemised inventory in each case prepared in the presence of two Officers.
2. All valuables such as jewellery, watches and other small articles of similar nature and documents of title shall, unless in any case otherwise decided by the **BDCX**, be deposited with that Officer for safe custody.

U. USE OF RUBBER STAMP OR OTHER FACSIMILE SIGNATURES

Any document of a financial nature must be signed in manuscript by the appropriate Officer in his own name. Rubber stamp or other facsimile signatures should not be used except with the prior approval of the ~~BD~~**CX**. In no circumstances should facsimile signatures be used other than under the immediate control of Director concerned and then only if the signature is initialled by the Officer concerned.

V. THEFT AND BURGLARY

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Directors shall notify the ~~BD~~ **CX** and the Police of all cases of suspected theft or burglary or other financial irregularity arising in their Directorate.

Note:

Customary Officer Title abbreviations have been used in this document as follows:

~~BD CX~~ – Borough Director – ***Chef Executive***

~~HFR&B~~ – Head of Financial, ***Revenues and Benefits*** Services

~~HLD&P~~ – Head of Legal, ***Democratic and Property*** Services

~~MPS~~ – Head of Property Management – ***Services Manager***

APPENDIX 1 (to Financial Regulations)

THE SCHEME OF VIREMENT

The Scheme of Virement shall operate as set out below, with any variations being specified by the Corporate Management Team as and when necessary.

The Scheme shall operate from the 15th of May 2002 until further notice and replaces all previous schemes.

Provisions of the Scheme

1. Virement is defined as the transfer of some or all of one revenue budget heading to another (see 5 below), leaving the total level of budgeted expenditure unaffected.
2. Virement may take place either within Directorates, or between Directorates, subject to the following approvals:- Part 11
 - (a) Virement within a Directorate must have the approval of the relevant Director;
 - (b) virement between Directorates must be agreed by the Corporate Management Team;
 - (c) virement between the General Fund and the Housing Revenue Account is not allowed as effectively both funds are ring-fenced.
3. Virement may not take place if it involves any of the following:-
 - (a) “Central” items
 - capital financing costs
 - insurances
 - OMS and recharges
 - VAT.
 - (b) “Corporate” items
 - financing transactions
 - contingencies
 - Revenue Support Grant
 - Housing Subsidy
 - other Government grants.

All other budget heads are included within the scheme.
5. Virement must take place at the lowest budget level held on the Financial Management System (FMS).
6. All approved items for virement must be notified to the ~~BD~~ **CX** on a numbered Virement Notification Form, the format of which may be amended from time to time. Virement will not be deemed to have taken place until the Virement Notification Form is received by the ~~BD~~**CX**'s Finance Officers and the relevant budgets amended.
7. Virements **between cost centres** in excess of £1,000 must be approved by the Executive Committee, prior to the virement taking place.
8. Virement may not take place where excess resources are a result of policy changes of the Council or statutory changes imposed by legislation. Such resources shall be referred to the Council for subsequent allocation.

9. Any proposal for virement must fully identify the revenue effects in this year and any future year. Virement shall not be used as a mechanism to build in increases in the base budgets of the Council in any year.
10. Any proposal for virement resulting in spending on new initiatives shall be strictly in accordance with the Council's policy objectives.
11. The effects of virement shall be reflected in the revised estimates and reported to the Council, via the Executive Committee, during the budget setting process. The ~~BD~~ **CX** shall be responsible for such reporting, in consultation with relevant Directors.

Part 11

Where Officers are unsure about how to apply the provisions of the Scheme, any proposals for virement must be referred to the ~~BD~~ **CX**'s Finance Officers.