**Constitution**

**Article Seventeen: Financial Regulations**

**Interpretation**

In these Regulations:

|  |  |  |
| --- | --- | --- |
| Best Value | means | The statutory obligation on the City Council to make proper arrangements for securing continuous improvement in the economy, efficiency and effectiveness in the use of its resources and is ‘the optimum combination of whole life costs and benefits to meet customer requirements’. |
| Budget and Policy Framework | means | The overall policy and budget framework within which all decisions must be made (see Article 8 – Budget and Policy Framework). |
| Capital Budget | means | All expenditure (financed from whatever source) on the acquisition of land and buildings, the erection of buildings, the execution of works of a permanent nature and the purchase of vehicles, plant, machinery, equipment or furniture, or payments to third parties for such purposes. |
| Chief Finance Officer | means | The person designated as the Finance Officer responsible for ensuring the proper administration of the Council’s financial affairs under Section 151 of the Local Government Act 1972 (see Article 5 – Officers). |
| Contract Procedure Rules | means | The procedures that apply to the entering of contracts with external suppliers (see Article 18 – Contract Procedure Rules). |
| Corporate Director(s) | means | The officers designated as such in Article 5 – Officers. For the purposes of these Financial Regulations the Chief Executive and Director of Public Health shall be deemed to be Corporate Directors. |
| Corporate Financial Procedures (CFPs) | means | The processes, rules and standards approved by the Chief Finance Officer under delegated powers and which should be read alongside these Regulations. |
| Council Plan | means | The Council’s medium term strategy which sets out the Council’s priorities for a defined period of time and outlines its overall strategic objectives. The Plan is part of the Policy Framework. |
| Director | means | The officer, usually reporting directly to a Corporate Director, responsible for a number of Council functions. |
| Directorates | means | The group of Council functions led by a single Corporate Director. |
| Medium Term Financial Strategy (MTFS) | means | The Council’s financial plan to support the delivery of the Council Plan. |
| Monitoring Officer | means | The person designated as the officer responsible for promoting the legality of decision making, high standards of conduct by Councillors and officers and supporting the Standards and Governance Committee.under Section 5 of the Local Government and Housing Act 1989 (see Article 5 – Officers). |
| Revenue Budget | means | Expenditure that relates to the running of day to day services that includes salaries and expenditure that relates to consumable goods and services e.g. transport running costs, unplanned repairs and maintenance of buildings etc. |

**Background**

* 1. **What are the Financial Regulations?**

The Financial Regulations are a set of rules and guidance which ensure the effective financial management of the Council. These regulations are informed by and have regard to local government finance and audit regulations, standards, codes and guidance. They are also based upon the principles set out in the Chartered Institute of Public Finance & Accountancy (CIPFA) Financial Management (FM) Code of Practice.

* 1. The CIPFA Financial Management (FM) Code of Practice sets out a framework for Councils to manage their finances and the identifies standards of good practice. These Financial Regulations have been produced with this framework in mind with a particular focus on:
  + Financial Planning: The use of effective medium term financial planning (through a Medium Term Financial Plan (MTFP)) linked to the Council’s overall objectives to inform the annual budget process
  + Effective risk management: Compliance with the Council’s overall risk management framework when making financial decisions
  + Adherence to financial standards: Ensuring that the Council’s financial standards are followed and promoted by Councillors and officers
  + Financial sustainability: Placing the long term sustainability of the Council at the forefront of all financial management processes
  + Proportionality: Ensuring that financial management checks and controls are proportionate and based on risk.
  1. To conduct our business effectively, we need to ensure that sound financial management arrangements are in place and that they are complied with in practice. Part of this process is the establishment of Financial Regulations which set out the financial responsibilities of the Council. These regulations have been devised as a control to help the Council manage its financial affairs properly in compliance with all necessary requirements.
  2. The Council’s Financial Regulations set the control framework for five key areas of activity:
* Financial Planning
* Financial Management
* Risk Management and Control of Resources
* Financial Administration
* External Arrangements
  1. The Local Government Act 1972 (Section 151) requires that an employee of the council is recognised as the responsible financial officer. In Nottingham City Council that officer is the Chief Finance Officer (CFO). The CFO is responsible for the preparation, review and proposal of amendments to these Financial Regulations. As they form part of the Council’s Constitution, only Full Council can approve any amendment of these Regulations. All officers and Councillors are responsible for following these Regulations.
  2. Adherence to these Regulations will help us to control spending, ensure due probity of transactions and allow decisions to be informed by accurate accounting information. They also protect officers as, by complying with these Regulations, they can be confident that their work meets required financial standards. Good financial management requires secure and reliable records and systems to process transactions and information and substantiate the effective use of public money.
  3. **Who do Financial Regulations apply to?**

Financial Regulations apply to everyone involved in financial transactions on behalf of the Council. They apply (but are not limited) to:

* Full Council
* Executive Members
* Executive and Non-Executive Committees with authority to take financial decisions
* The CFO
* Corporate Directors
* Officers
* Contractors working for or on behalf of the council
* All External Contractors.

It is important that all colleagues involved in financial transactions are aware of their personal responsibilities.

* 1. **Key Financial Regulation Principles**

The Financial Regulations set out what can and cannot be done in relation to the different elements of financial management. Councillors and o must follow the key financial regulation principles that are set out below:

* effective financial management and the ability to demonstrate value for money (efficiency, effectiveness, economy) for the Council is the responsibility of all
* the principle of risk management underpins good financial practice
* agreed budgets must not be overspent without relevant approval
* only goods, works and services legitimately required by the council are purchased
* all income due must be collected, held securely and banked promptly and intact
* all financial decisions need to follow good governance and be taken by a decision maker with the authority to take them
* assets are managed in an efficient and effective manner
* a principle of common sense should underpin all financial transactions performed on behalf of the council.
  1. The CFO and Corporate Directors are aware of the existence of the these Regulations, the CFPs, and the relevant financial strategies, financial policies, detailed protocols or regulatory requirements needed for their jobs. Key Council policies required by regulators or statutes are listed below.
  2. Consideration should be given to the Council’s policies relating to:
* Anti-Fraud and Corruption
* Anti-Money Laundering
* Confidential Reporting (Whistleblowing)
* Code of Conduct including Conflicts of Interest and Gifts & Hospitality
* Procurement (Including Contracts and transparency)
* Employment
* Local Governance Code
* Data Protection and Records Management
* Payment Cards Income processing
* Management of purchasing cards
* IT Security
* MTFS
* Capital Strategy
* Carbon Reduction
* Virements
* Project Management Risk Management Framework
  1. Article 9 – Non-Executive Functions and Committees and Article 10 – Executive Arrangements, together with Governance Framework Document G – Table of Delegations to Officers set out in detail who is responsible for the various functions of the Council and the associated authorised levels of spend.
  2. Failure to observe Financial Regulations may result in action under the City Council's Disciplinary Procedure.
  3. **The Financial Control Framework**

Article 9 – Non-Executive Functions and Committees and Article 10 – Executive Arrangements set out the roles and responsibilities of:

* Full Council
* The Executive
* Overview and Scrutiny
* Audit Committee.

Article 4 – Councillors, Article 5 – Officers and Article 6 – Councillor/ Officer Protocol sets out Councillor and Officer Roles.

* 1. **The Chief Finance Officer (CFO)**

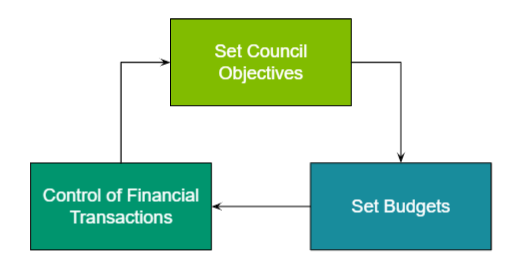
The CFO has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden.

* 1. The CFO has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden. The statutory duties arise from:
* Section 151 of the Local Government Act 1972
* The Local Government Finance Act 1988
* The Local Government and Housing Act 1989
* Local Government Act 2000
* The Accounts and Audit Regulations 2011
* Local Government Act 2003
* Money Laundering Regulations 2007
  1. The CFO (and their deputy or appointee), must be a member of a specified accountancy body (Section 113, Local Government Finance Act 1988), has the following personal statutory responsibilities:
* the proper administration of City Council’s financial affairs (Section 151, Local Government Act 1972)
* setting and monitoring compliance with financial management standards
* advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
* providing financial information
* preparing the revenue budget and capital programme
* treasury management.
  1. Section 114 of the Local Government Finance Act 1988 requires the CFO, after consulting with the Head of Paid Service and the Monitoring Officer, to report to the Full Council, Executive Board and the external auditor if the Authority or one of its officers:
* has made, or is about to make, a decision which involves incurring unlawful expenditure
* has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
* is about to make an unlawful entry in the authority’s accounts.
  1. Section 114 of the 1988 Act also requires:
* the CFO to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally
* the authority to provide the CFO with sufficient staff, accommodation and other resources (including legal advice where this is necessary) to carry out the duties under section 114.
  1. The CFO is responsible for:
* Producing Financial Regulations for adoption by the Full Council;
* Maintaining a continuous review of the Financial Regulations (and submitting any additions or changes necessary to the Full Council for approval);
* Reporting, where appropriate, breaches of the Financial Regulations to the council and/or to Executive Board members;
* Advising Corporate Directors and the Director of Public Health of any amendments to Financial Regulations, CFPs or CPRs and reviewing the values within such Regulations, Rules and Standards as required;
* Notifying the Executive Member with responsibility for finance of new or amended CFPs prior to issue; and
* Issuing advice and guidance to underpin the Financial Regulations that Members, Officers and others acting on behalf of the authority are required to follow.
  1. It is the responsibility of Officers to consult with the CFO or his/her nominee to seek approval on any matter liable to affect the Council’s finances materially, before any commitments are incurred.

**Financial Planning**

* 1. **Policy and Budget Framework**

This section sets out the policy and budget framework for the Council and the processes by which the financial standing of the Council is planned, controlled and reported. The Financial Management Cycle is summarised below:



The setting of Council Objectives and budgets is covered in paragraphs 17.21 to 17.38 The Monitoring and Reporting Financial Information is addressed in paragraphs 17.58 to 17.77.

* 1. Full Council is responsible for approving the Budget and Policy Framework for the Council which includes the Council Plan and a number of statutory and non-statutory plans and strategies and the Council’s capital and revenue budgets. Details of the Policy and Budget Framework can be found in Article 8 – Budget and Policy Framework. Article 8 also sets out decision making arrangements in relation to the Budget and Policy Framework.
  2. Full Council is responsible for setting the level at which the Executive may reallocate budget funds from one service to another. The Executive is responsible for taking in-year decisions on resources and priorities in order to deliver the Budget as part of the Budget and Policy within the financial limits set by the Council.
  3. The CFO is responsible for publishing a Medium Term Financial Strategy (MTFS) which sets out the aims, objectives and principles by which the Council’s finances are planned and managed as part of the Policy and Budget Framework. The MTFS takes account of:
* Legal requirements
* The Council Plan
* Available resources
* Spending pressures
* Best value
* Relevant government guidelines
* Trends, demographics, economic conditions, organisational culture etc.
* Other internal policy documents
* The MTFS will be refreshed by the CFO on an annual basis.
  1. **Budget Setting**

Full Council is responsible for the adoption of the Budget. Every year it will approve a rolling 3-year Revenue Budget and a Capital Programme with control totals for each Portfolio. The draft budget will include allocation to different services and projects, proposed taxation levels and contingency funds.

* 1. **Budget Preparation**

Budgets will be prepared in compliance with section 4 of the CIPFA code of practice. Guidance for both Revenue and Capital Budgets is prepared by the Councils Finance function at least annually. The Robustness of the Council’s Budget setting process can be found in the Robust Statement taken to Council annually.

* 1. The CFO working alongside Executive Members, Overview and Scrutiny Committees and other relevant Executive officers (including Corporate Leadership Team) will develop a detailed annual budget for all services, activities, projects and directorates based upon the overall revenue budget. They will also develop detailed annual capital programmes for their respective Portfolios for approval by the Executive. The detailed budgeting setting process will be set out annually by the CFO.
  2. The CFO will provide baseline budgets and corporate assumptions to Directors on an annual basis. This will include items such as (but not limited to) pay awards and inflationary uplifts across all of the key areas of expenditure. In addition the CFO will communicate any corporate financial targets to Directors.
  3. Directors are responsible for (in line with guidance provided annually by the CFO):
* An assessment of current year spend, changes in national guidance and emerging cost pressures
* An assessment of growth across service areas (e.g. population and referrals) and the potential impact of key performance indicators that support the Council Plan
* Identifying budget options categorising initiatives as growth, disinvestment, service redesign or cost Improvements
* Any contingency planning within their budgets
* Producing a budget with supporting narrative.
  1. The detailed annual budget will ensure:
* Budgets will be an extension of the overall Council Plan and associated delivery plans
* Budgets are set with the long term financial sustainability of the Council in mind i.e. aligned to the MTFS of the Council
* Budgets will be prepared with a focus on supporting relevant strategic objectives and KPIs.
  1. Each of the Directors will be expected to formally agree their budgets. It is the responsibility of Directors to ensure that budget estimates that reflect agreed service plans are submitted to the CFO.
  2. The CFO will issue a template letter of delegation to each senior budget holder. Each budget holder, via their Corporate Director, will need to provide the CFO with a completed letter of delegation on an annual basis setting out their responsibilities for the agreed budgets as soon as possible following approval by Full Council.
  3. Further information on the Council’s Budget and Policy Framework can be found in Article 8 of the Constitution.
  4. **Capital Strategy**

The Capital Strategy forms the foundation for the long-term planning of capital investment based on clear capital investment principles, sound asset management and effective resource planning**.** The annual cycle for formulating a rolling multi-year capital programme will be overseen by a Capital Board.

* 1. The CFO will:
* agree the overall capital strategy
* provide a regular review to Full Council of available methods of financing the Council’s capital investment programmes
* recommend the allocation of available resources to the Executive
* ensure that the capital programme will be constructed in accordance with the principles outlined in the Council’s prevailing approved Capital Strategy
* ensure that an appropriate assessment, monitoring and control is in place to strengthen project management and assist in assessing value for money.
  1. Key Principles of the Capital Strategy:
* Capital investment is targeted towards supporting the Council’s corporate objectives
* Capital investment complements revenue spend on services
* The stewardship of assets is properly considered in capital planning
* Capital investment is prudent, sustainable, affordable and provides value for money
* Councillors and senior officers have a common understanding of the long-term context in which investment decisions are made and all the financial risks to which the Council is exposed
* Capital projects are delivered on time and within budget
* There is improved transparency at programme level along with a clear process for member engagement
* The Council is seen as an exemplar of good practice in its capital planning.
  1. Further Guidance can be found in the Council’s Capital Strategy.
  2. **Maintenance of Reserves**

It is the responsibility of the CFO to advise the Executive and/or Full Council on prudent levels of reserves for the Authority.

**Financial Management**

* 1. **Budget Monitoring and Control**

The CFO shall provide Corporate Directors and Budget Holders with up-to-date financial information on income and expenditure compared to the approved budget. Budget monitoring will be prepared in compliance with section 6 of the CIPFA code of practice. Detailed guidance will be sent out annually by the CFO.

* 1. Budget Holders will have responsibility for:
* Reporting any variances to profiled budget on a monthly basis
* Supporting narrative around material variances (as defined by the CFO) and planned remedial action
* Guidance on tolerance of variances will be set out annually by the CFO.
  1. The CFO will make arrangements to ensure that effective monitoring and control of expenditure against budget allocations takes place and are reported to Full Council on the overall position of the Council’s finances on a regular basis.
  2. Each Corporate Director and Executive Member will report to the Executive Member for Finance and the CFO in monthly meetings. They will be required to present:
* Actual variances reported against budgets and forecasts
* Actual financial performance of service line
* All key variances substantiated with justifiable reasons
* Progress of delivery of savings against the Implementation Plans
* Areas of budget pressures and risk.
  1. It is the responsibility of officers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the CFO and / or their own systems.
  2. Officers will also take any action necessary to avoid exceeding their budget allocation and alert the CFO if this cannot be achieved.
  3. **Virement**

The term "virement" refers to the switching of budgetary provision from one budget head to another.

* 1. The budget holder will be informed on an annual basis as to the levels of virements that they can undertake within their budget and the process for approval from the CFO for amounts above this limit.
  2. Virements should not be supported/actioned where the purpose is to align budgets with spend. With the exception of corporate adjustments, Corporate Directors should sign off any virements prior to submission to Finance.
  3. Virements will have clear descriptions and will be processed outside the forecasting cycle to allow a stable period for forecasting and as per the monthly timetable.
  4. No permanent virements will be made on reserve codes.
  5. The CFO is responsible for maintaining a register of all budget virements over a certain limit outlined in the Governance Framework Document G – Table of Delegations to Officers.
  6. Further information on Virements between budgets can be located in the Council’s “Virement Process” document.
  7. **Treatment of Year End Balances**

The CFO is responsible for defining the protocol for any year end underspends or overspends as outlined in the Accounting Handbook.

* 1. **Accounting Policies**

The CFO is responsible for selecting suitable accounting policies and ensuring that they are applied consistently.

* 1. **Accounting Records and Returns**

The CFO is responsible for determining the accounting procedures and records for the Authority.

* 1. **Annual Statement of Accounts**

The CFO is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA / LASAAC).

* 1. The Audit Committee is responsible for approving the annual statement of accounts.
  2. Further information on the Annual Statement of Accounts can be found in the NCC Accounting Handbook.

**Risk Management**

* 1. The Council has established a risk management framework that covers the Council’s risk management policy, process guide, risk report and its strategy. The risk management framework must be adhered to by all officers.
  2. The Risk Management Framework sets out the Council’s approach to management and mitigation of risk, in particular how they are:
* Identified and assessed,
* Mitigated,
* Monitored,
* Managed, and
* Integrated into the Council’s business planning systems and arrangements.
  1. The Council’s Risk Management Framework is available on the Council’s intranet and is supported by a risk register template, guidance documents and an online training module.
  2. Risk Responsibilities:
* The Audit Committee is responsible for approving the Authority’s Risk Management Framework and for reviewing the effectiveness of risk management.
* The Executive is responsible for ensuring that proper insurance exists where appropriate.
* The CFO is responsible for preparing the authority’s risk management policy statement, for promoting it throughout the authority and for advising the Executive on proper insurance cover where appropriate.
* Senior Officers are responsible for establishing contingency plans for their line of service
  1. It is the responsibility of all officers to:
* Be familiar with the Risk Management Framework
* Take general steps in their everyday working to reduce risk
* Manage risk effectively in their job and report opportunities and risks to their service managers introducing controls and assurance processes and reporting in line with the Risk Management Framework
* Participate in risk assessment and action planning where appropriate
* Immediately report any incidents or near misses or any other incident they feel is relevant to their line manager / supervisor
* Adhere to Council policies and procedures
* To participate in risk management training.
  1. **Internal Control**

Internal control refers to the systems of control devised by management to help ensure the Authority’s objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority’s assets and interests are safeguarded.

* 1. The CFO is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
  2. It is the responsibility of Corporate Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.
  3. **Audit Requirements**

Officers can find the Audit Charter and further information regarding Audit services at the Council on the Intranet. The Audit Charter is the formal document that writes details about the main purpose of internal audit, right, and obligation, reporting line, authority, and code of ethics that internal auditor should have.

* 1. The Accounts and Audit Regulations 2011 require every local authority to maintain an adequate and effective internal audit.
  2. The annual audit plan must be approved by the Audit Committee each year following consultation between Corporate Directors, the CFO and the Head of Internal Audit.
  3. The external auditors will carry out our audit in accordance with the National Audit Office's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Their key responsibilities are to:
* give an opinion on the Council's financial statements
* assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion).
  1. In the audit of the Council’s financial statements, they comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.
  2. The Authority may be subject to audit, inspection or investigation by external bodies such as HM Revenue & Customs and the Inland Revenue, who have statutory rights of access.
  3. **Preventing Fraud, Bribery and Corruption**

The CFO is responsible for the development maintenance publication of a Counter Fraud Strategy which sets out the Council’s position on fraud and which is in place to provide clarity to colleagues on how to minimise, identify and respond to fraud. There are also instructions on how to avoid corruption within Article 16 – Employee Code of Conduct.

* 1. The Whistleblowing procedure sets out the kind of complaints that can be raised with the Monitoring Officer or a line manager. It also states that managers and those raising complaints can go to the Monitoring Officer, the CFO or the Corporate Director of HR & Transformation for advice. The procedure also aims to reassure those raising a complaint in good faith that they will not suffer detriment. More information on the Whistleblowing procedure can be found on The Audit and Fraud page of Nottingham City Council’s intranet.
  2. All employees/contractors must immediately inform their line manager about any matter that involves or is thought to involve irregularities concerning cash, stores, income, expenditure, assets (including data held by the City Council) or any suspected irregularity concerning the exercise of the functions of the City Council. Line managers should consult with the Chief Finance Officer and the Head of Internal Audit, who will determine what further information is required and whether any investigation should be undertaken and if so, the conduct of that investigation. If line managers are implicated or fail to respond then employees/contractors should contact the counter Fraud report / Whistleblowing report via Internal Audit to address the points set out above.
  3. **Assets**

Corporate Directors should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place. Asset classes will be defined by the CFO or their deputy.

* 1. **Treasury Management**

Treasury Management is the management of the local authority’s cash flows, its borrowings and its investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.

* 1. The Council has adopted CIPFA’s Code of Practice for Treasury Management Policy.

**Financial Administration**

* 1. This section covers what all Officers of the Council must do with regard to income and expenditure.
  2. Article 9 and Article 10 identify staff authorised to act on the Corporate Director’s or the Executive’s behalf, in respect of payments, income collection and placing orders, together with the limits of their authority.
  3. **Income**

This section will cover what the CFO, Corporate Directors and relevant officers will need to ensure with regards to income.

* 1. The CFO will ensure:
* Effective arrangements are in place for the collection, banking, recording and accounting in an appropriate manner that complies with payment card industry standards.
* The Debt Management Strategy outlines the procedures for income and write offs,
* Appropriate accounting adjustments are made following write off action.
  1. Corporate Directors and relevant officers will ensure:
* There is a fundamental annual review of all fees and charges in their remit in accordance with the Income Strategy and that proposals for the level of fees and charges are approved by the relevant Executive Member.
* That the agreed charging policy is implemented and consistently applied in respect of each relevant activity and service.
* Holding secure receipts, tickets and other records of income.
  1. **Orders and Paying for Goods, Works and Services**

All Officers must follow 2 key principles when ordering goods, works or services:

* Orders are only to be issued for goods, work or services which are intra-vires (i.e. legal) and only if the cost is covered by a budget allocation or by a special financial provision.
* Orders must be issued for all work, goods or services, or such other expenditure as the CFO may approve.
  1. All officers will ensure that the Council’s accounts payable and procurement systems are used for payment for work, goods and services except where specialist systems are used in agreement with the CFO.
  2. The CFO will ensure:
* Payments from the Council’s funds on correct authorisation that the expenditure has been duly incurred in accordance with Financial Regulations.
* The requirements are clearly defined for checking and certification of invoices prior to payment to confirm that the goods have been ordered and received, the invoice is in order and is certified for payment by the nominated budget manager
  1. Corporate Directors and relevant officers will ensure:
* All officers involved in the ordering and management of goods and services follow the corporate process unless written agreement to the contrary has been given by the CFO
* Their department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, which are in line with best value principles as contained in the Council’s Procurement Strategy
* Utilisation of the purchasing procedures outlined in the Council’s Code of Practice for Tenders and Contracts
* No contract, agreement or other document is signed or sealed unless it gives effect to: a decision or resolution (in accordance with this Constitution) of the Leader, the Executive Member, an authorised committee or sub committees or a decision by an individual exercising delegated power.
* Budgetary provision exists before any contract can be entered into
  1. **Contract Management**

Corporate Directors will be responsible for ensuring that the Contract Procedure Rules are adhered to by colleagues within their department.

* 1. All official orders MUST be raised and authorised through the City Council's accounts payable and procurement systems.
  2. Further information can be found in Article 18 – Contract Procedure Rules.
  3. **Purchase Cards**

Purchase cards allow goods and services to be purchased and charges made electronically. Purchase cards are for business use only and must not be used for personal purchases. Officers and Councillors must comply with the Purchase Cards Scheme as determined by CFO.

* 1. All purchases made with a Council purchase card must be supported by a VAT receipt where relevant. If there is any doubt about whether a VAT receipt is required, clarification should be sought.
  2. **Imprest/ Petty Cash**

Imprest is a cash account a business relies on to pay for small, routine expenses. The CFO will provide such imprests as considered appropriate for such officers as may require them for the specific purpose of meeting minor expenses.

* 1. A formal record of this accounting will be retained within the service concerned for inspection. Such imprests held within Services are to be recorded and controlled by the appropriate Corporate Director/Head of Service with arrangements made, by them, to include authorisation levels, general security and regular annual checks.
  2. All imprest accounts will be maintained in accordance with guidance issued by, and under the general direction of, the CFO.
  3. **Payments to Officers and Councillors**

The CFO is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to Councillors.

* 1. **Taxation**

The CFO will be responsible for the taxation procedures of the Council, ensuring where possible, that tax liabilities and obligations are properly reported and accounted for, avoiding any possible losses.

* 1. Where transactions of a new or unusual nature are being considered the CFO should be consulted on the tax implications before committing to the Council.

**External Arrangements**

* 1. The Council has statutory powers to enable it to set up a company which may take various forms. The Council must effectively manage the relationship between the Council and the Council Owned Entity to ensure that the Council Owned Entity can deliver the objectives established for it by the Council and to ensure transparent and robust governance processes for both the Council and the Council Owned Entity. Matters regarding external arrangements are set out in the Article 19 – Council Companies.
  2. Group accounts will be consolidated as per accounting standards and relevant guidance.
  3. In the case of future in-sourcing companies will revert to the financial regulations of the council and its entities with any variations to those requirements approved by the CFO. In the case of future out-sourcing, entities and companies will fall under the external arrangements governance with any variations from these standards set out at their formation as set out in Article 19.