SECTION 16

16. Financial Procedure Rules

Purpose:

All officers and members of Gwynedd Council have both a moral and legal duty to ensure that the public funds for which they are responsible are used properly. Financial Procedure Rules (together with the Contract Procedure Rules, etc.) set out the framework for ensuring that the Council fulfils is obligations in this respect.

16.1 Introduction

16.1.1 These regulations are a part of Gwynedd Council's constitution and provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf, and failure to comply with Financial Procedure Rules may result in disciplinary action.

16.1.2 These regulations shall be read and construed in conjunction with other parts of the Council's Constitution and procedure rules and shall be deemed to be in addition to and not in substitution for or in derogation from such regulations.

16.1.3 These regulations shall not affect the legal liability under statute or otherwise of any third party towards the Council.

16.1.4 Other than in regulations 16.2.5 to 16.2.11 which specifically refer to the person appointed as the Council's Head of Finance, where these regulations refer to "the Head of Finance", this shall mean "the Head of Finance or other finance officer nominated as the Head of Finance's representative". Where these rules refer to a "Chief Officer" this shall mean "the Chief Executive, Corporate Director or a Head of Department or other officer from the relevant Department nominated as the Head of Department's representative".

16.1.5 Unless otherwise stated, where these Rules refer to a "financial year", it is the period from 1st April in any one year to 31st March the following year.

16.2 Functions And Responsibilities

Purpose:

All staff and members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

Duties of the Full Council

16.2.1 The Council has a duty towards Council Tax payers in terms of financial decisions and their outcomes. The full Council is responsible for approving expenditure estimates and the Budget to underpin the operation of the Cabinet, taking into account the comments of the Head of Finance in his report on the robustness of the estimates and the adequacy the financial reserves under Section 25 of the Local Government Act

2003. The budgeting process includes approval of Prudential Indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities. It is also responsible for approving and monitoring compliance with the Council's overall management.

Duties of the Cabinet

16.2.2 The Cabinet is responsible for carrying out Executive Functions and setting expenditure priorities in accordance with the Budget. The Cabinet is responsible for organising, supervising and managing all funds and accounts of the Council and all its services, and co-ordinate financial and accounting arrangements.

Duties of the Audit and Governance Committee

16.2.3 The Audit and Governance Committee will implement the statutory requirements placed upon it pursuant to the Local Government (Wales) Measure 2011. This includes monitoring and reviewing the propriety of budgets, financial strategy, accounting and financial management of the Council and all its services through reviewing financial procedures, promotion of risk management, internal control and good governance and development of a culture that militates against fraud.

Duties of Scrutiny Committees

16.2.4 The duty of the Scrutiny Committees is to monitor the Council and all its services in terms of reviewing Cabinet decisions and reviewing relevant policies.

Duties of the Responsible Finance Officer

16.2.5 The Head of Finance shall be the officer responsible for the administration of financial affairs as required by Section 151 of the Local Government Act 1972; and shall issue and amend from time to time detailed guidelines as required.

16.2.6 In addition to the responsibility under Section 151 of the Local Government Act 1972, the Head of Finance also has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. These further statutory duties arise from:-

(a) The Local Government Finance Act 1988

(b) The Local Government and Housing Act 1989

(c) The Accounts and Audit (Wales) Regulations 2014

(d) The Local Government Act 2003

16.2.7 The Head of Finance is responsible for

(a) the proper administration of the Council's financial affairs;

(b) setting and monitoring compliance with financial management standards;

(c) reporting on the robustness of estimates, and also the adequacy of the proposed financial and controlled reserves for the purposes of making budgetary calculations.

16.2.8 In accordance with Section 114 of the Local Government Finance Act 1988, the Head of Finance shall report to the full Council, the Cabinet and external auditor if it appears to him that the Council, a committee of the Council, a joint committee on which the Council is represented, or one of its officers:

(a) has made, or is about to make, a decision which involves incurring unlawful expenditure;

(b) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;

(c) is about to make an unlawful entry in the Council's accounts.

16.2.9 In preparing such a report as required by Section 114 of the 1988 Act, the Head of Finance shall:

(a) consult with the Monitoring Officer on the issue of unlawfulness;

(b) consult with the Chief Executive on the matter;

(c) if there is a disagreement or doubt, ask the Monitoring Officer to obtain Opinion of Counsel.

16.2.10 Any such report is to be sent to all members of the council and the external auditor. Once a report is made, the Council (or the Cabinet regarding executive functions) is required to hold a meeting within 21 days to consider it. The course of conduct which led to the report must not be pursued until the full Council has considered the report.

16.2.11 Also in accordance with Section 114 of the 1988 Act:

(a) the Head of Finance shall nominate a properly qualified member of staff to deputies should he be unable to perform the duties under Section 114 personally;

(b) the authority shall provide the Head of Finance with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114 and Section 151 of the Local Government Finance Act.

Duties of the Chief Officers

16.2.12 No report will be presented to the Cabinet (or to the full Council) unless it has first been submitted to the Head of Finance for comments on financial implications of recommendations. Before issuing financial information to outside bodies and individuals, officers or members shall consult with the Head of Finance or relevant finance manager to ensure accuracy. The Head of Finance must be consulted personally where relevant finance manager deems that the information is commercially sensitive.

16.2.13 Each Chief Officer shall ensure that sound principles of internal check are applied in his department to the satisfaction of the Head of Finance. In particular:

(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 transactions shall not themselves be engaged in any of these transactions.

16.2.14 Separate Financial Regulations will set out the detailed rules by which schools having Delegated Budgets shall manage their financial affairs They shall be treated as being in addition to, and not in substitution for, these Financial Procedure Rules.

16.2.15 The Head of Finance shall recommend such changes to the Financial Procedure Rules as he considers necessary and desirable for the proper administration of the finances of the Council.

16.2.16 Every transfer of official money from one member of staff to another will be evidenced in the records of the services concerned by the signatures of both the paying and receiving officers.

16.2.17 It shall be the duty of the Chief Officer concerned to inform the Head of Finance not less than two weeks before the event, of the opening or closing down of any establishment or activity for which accounting arrangements are necessary to enable the Head of Finance to make such arrangements as he deems desirable.

16.2.18 The Chief Officer must satisfy the Head of Finance that every proposal presented to any Committee is lawful and that the costs can be addressed within the service's budget allocation or there is a report suggesting how the expenditure is to be funded.

16.2.19 A written observation by the Head of Finance must be sought for all reports presented to the Cabinet Member under the scheme of delegation.

16.3 Treatment Of Year-End Balances

Purpose:

The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward.

16.3.1 The difference between budgeted and actual expenditure whether surplus or deficit, shall be carried forward by each department from each financial year to the next in accordance with the following scheme:

(a) If a deficit is transferred to the subsequent year, the relevant Chief Officer may request the Cabinet to write off an element of the deficit that was beyond the Service's sphere of influence, conditional upon the agreement of the Corporate Management Team.

(b) If the mechanism described in part (a) above is used, it will be assumed that a sum equivalent to 0.4% of the gross budget or £50,000 whichever is greatest, will be carried forward.

(c) The underspend which can be carried forward shall be limited to £100,000 per department in any one year.

(d) The Cabinet shall have the right to waive clauses (a) to (c) above.

16.3.2 No service or officer may plan to spend in excess of the sum authorised in the annual Revenue Budget plus any surplus (or less any deficit) brought forward.

16.3.3 The relevant Chief Officer shall determine the use to which carried-forward balances are applied, subject to any directions by the Cabinet, Chief Executive or Head of Finance.

16.3.4 The Head of Finance shall report to the Cabinet on the underspend/ overspend which is attributable to each department.

16.3.5 In the event that any department has an accumulated deficit, the Head of Finance after consulting with the Chief Executive may impose such restrictions on that department's expenditure and virements as he considers necessary to reduce this deficit.

16.4 Accounting Policies

Purpose:

The Head of Finance is responsible for the preparation of the authority's statement of accounts, in accordance with proper practices, for each financial year ending 31st March.

16.4.1 The Head of Finance shall be responsible for selecting accounting policies and ensuring that they are lawful and applied consistently. All accounting procedures and records of the Council and its officers shall therefore be in a form approved by the Head of Finance.

16.4.2 The Head of Finance shall:

(a) arrange for the compilation of all accounts and accounting records under his or her direction;

(b) be 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/LASACC);

(c) sign and date the statement of accounts, stating that it presents fairly the financial position of the council at the accounting date and its income and expenditure for the year ended 31st March;

(d) make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations;

(e) prepare and publish the accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Council to approve the statement of accounts before the due date.

16.4.3 The Audit and Governance Committee is responsible for approving the annual statement of accounts by 30th June following the end of the financial year.

16.5 Accounting Records and Returns and the Annual Statement of Accounts

Purpose:

The authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The full Council is responsible for approving the statutory annual statement of accounts.

16.5.1 The Finance Managers shall be responsible for keeping the principal accounting records for all services of the Council and shall exercise supervision and control over all systems and records for accounting.

16.5.2 Relevant Finance Managers shall be answerable to the Head of Finance for ensuring adequate supervision of systems and records

16.5.3 The Head of Finance shall ensure, in so far as it is practicable, that the Council's Accounting Records and Statements comply with proper accounting practices (statutory and non-statutory) applicable to the Council.

16.5.4 The Head of Finance shall be responsible for ensuring that the costs of Central Services are fairly and properly allocated to accounts and services of the Council in accordance with CIPFA's Service Reporting Code of Practice.

Financial Planning

16.6 Budgeting

Format of the Budget and budget Preparation

Purpose:

The format of the budget determines the level of detail to which financial control and management will be exercised.

16.6.1 The revenue budget shall be devolved to a service manager, to a level of detail that allows compliance with CIPFA's Service Reporting Code of Practice.

16.6.2 The Revenue Budget shall constitute the maximum authority to spend on any service or officer.

16.6.3 The revenue budget shall be devolved to each cost centre, and further devolved to a level of subjective analysis as deemed appropriate by the Head of Finance.

16.6.4 Early in the planning cycle, the Cabinet shall consider the guidelines which service managers should adopt in preparing their service plans and the revenue consequences of these plans.

16.6.5 The Head of Finance shall prescribe the detailed form of content of the revenue estimates.

16.6.6 The relevant Corporate Director, following consultation with the Corporate Management Team and the Chief Officers, shall arrange for the Financial Strategy

(including the revenue budget) to be prepared and presented to the Cabinet in January/February).

16.6.7 The Cabinet, after considering the proposed budgets of each service, shall make recommendations to the Council for determination no later than 11th March in any year, on the following matters:

(a) the level of revenue spending in the forthcoming financial year;

(b) the distribution of revenue expenditure between services;

(c) the level of balances which should be maintained;

(d) the Council Tax to be levied in the ensuing financial year;

(e) the level of the contingency in the Revenue Budget to cover unexpected events or events which are expected but the magnitude of their effect is unknown.

16.6.8 In the event that resources are freed from the capital programme or if an external grant is receivable for a new scheme during the year, the relevant Head of Service may approve the use of any resources available, including whether new schemes should be added to the capital programme as a result, subject to the agreement of the Head of Finance and the Head of Corporate Support. The Head of Finance shall report on the additions to the Cabinet in subsequent quarterly reviews.

Budget Monitoring and Control

Purpose:

Budget management ensures that once the budget has been approved by the full Council, resources allocated are used for their intended purposes and are properly accounted for. A budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the Strategic Director/Head of Service's scheme of delegation.

16.6.9 Chief Officers and Budget Managers are authorised to incur expenditure in accordance with the estimates approved by the Council, as amended by any virement made under Financial Regulation 16.3, or any supplementary estimates approved by the Cabinet or Council.

16.6.10 Any virements shall be in accordance with Financial Procedure Rule 16.7.

16.6.11 Supplementary estimates approving expenditure from the Council's balances not provided for in the Revenue Budget may be approved only by the Cabinet subject to an annual limit of 20% of the general balances at the start of the financial year and only following consideration of a report on the matter. Any supplementary estimate which exceeds the limit shall be referred to the Council for determination.

16.6.12 In urgent cases when the Cabinet will not meet in time to act in an emergency, the Chief Executive, in consultation with the Head of Finance and Cabinet Members for Resources, shall have powers to exercise the rights of the Cabinet as specified above. The Chief Executive must report to the next meeting of the Cabinet when any action is taken under these powers.

16.6.13 Chief Officers shall ensure that all income and expenditure is properly recorded and accounted for against the correct budget head. Under no circumstances shall income or expenditure be coded to a budget head other than that to which it is properly chargeable.

16.6.14 The Head of Finance shall establish an appropriate framework of budgetary management and control that ensures that :

(a) budget management is exercised within annual budget limits;

(b) each Chief Officer has available timely, relevant and accurate information receipts and payment on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;

(c) expenditure is committed only against an approved budget head;

(d) all officers responsible for committing expenditure comply with relevant guidance, and these financial regulations;

(e) each cost centre has a single named manager, determined by the relevant Chief Officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure;

(f) significant variances from approved budgets are investigated and reported by budget managers regularly.

16.6.15 Chief Officers, in consultation with the relevant Finance Manager, shall ensure that both revenue and capital spending remains within the department's overall budget limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast. Chief Officers should consult with the relevant Finance Managers upon the systems and methods they adopt to ensure such control.

16.6.16 Chief Officers should ensure that each budget head/cost centre has a single named manager, determined by the relevant Chief Officer, who will be responsible for monitoring and investigating variances against budget and bringing these to the attention of the Chief Officers and the departmental finance/administration officer.

16.6.17 Relevant Finance Managers shall ensure that each Chief Officer has available timely information on receipts and payments on each budget, that is sufficiently detailed to enable managers to fulfil their budget monitoring responsibilities.

16.6.18 The Head of Finance shall maintain an overview of the effectiveness of budgetary control arrangements within each service.

16.6.19 Chief Officers shall take action as necessary to avoid exceeding their budget allocation, ensure that Budget Managers understand their financial responsibilities. In relation to this, Chief Officers shall also ensure that service levels are monitored in conjunction with the budget and that necessary action is taken to align service outputs and budget.

16.6.20 Chief Officers shall report promptly projected budget variations to the Head of Finance and put forward a budget action plan to bring expenditure back into line with budget,

either by corrective action, or, if this is not possible, by the identification of compensating savings elsewhere in their budget.

16.6.21 Where a Chief Officer is unable to keep expenditure and resources within existing approved budgets under his or her control, the Head of Finance shall report that matter to the Corporate Management Team, who shall review a budget action plan, in relation to the Council's priorities.

16.6.22 Following consideration of the matter by the Corporate Management Team, where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control, and where the expenditure cannot be resourced from the Council's overall budget, the chief officer shall report to the Cabinet or Council requesting approval for the use of supplementary estimates, as outlined in Financial Procedure Rule 16.6.11.

16.6.23 The Head of Finance must report to the Cabinet on the Council's overall position on a regular basis. It is also expected that the Head of Finance reports appropriately to the Audit and Governance Committee, to allow that Committee to obtain assurance that the risks associated with the Council's revenue expenditure received appropriate attention, particularly in areas of significant overspend or underspend.

16.6.24 Nothing in the Financial Procedure Rules shall prevent expenditure being incurred which is essential to meet any immediate needs arising from an emergency, including any expenditure under Section 138 of the Local Government Act 1972. Any such expenditure must be reported to the Cabinet.

Capital programmes

Purpose:

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value such as land, buildings, and major items of plant equipment or vehicles. Capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of resources.

16.6.25 The Capital Budget shall be maintained in the form of a three-year rolling programme.

16.6.26 As part of the budgeting cycle, the Cabinet shall consider the likely level of resources to be made available for Capital schemes in each of the three years having considered affordability and sustainability in accordance with the provisions of the Prudential Code and in addition to determining the Start Year's programme will issue guidelines on the financial limits within which the subsequent two years' programme shall be prepared.

16.6.27 The Cabinet shall submit expenditure profiles for each individual scheme.

16.6.28 The Council, meeting in February/March shall determine the actual Starts Programme and commitments authorised for the second and third years in light of the prudential borrowing limits which it shall set, in cases where resources have been allocated for general purposes rather than to specific schemes, the Cabinet may allocate resources to specific schemes.

16.6.29 Each Chief Officer shall submit expenditure profiles for each individual scheme.

16.6.30 The inclusion of a scheme in the Capital Programme shall constitute the necessary authority for the scheme to proceed.

16.6.31 (a) Each Chief Officer shall submit regular information to the Head of Finance in accordance with guidelines to be formulated by him outlining the actual projected capital expenditure against the approved budget and the Head of Finance will submit a quarterly update report to the Cabinet, and also to the Audit and Governance Committee, to allow that Committee to obtain assurance that the risks associated with the Council's expenditure on capital programmes receives appropriate attention.

(b) Authority may also be given to add schemes to the capital programme where the inclusion of such a scheme is required in order to safeguard the Council's financial or physical assets or where exceptional opportunities arise, where this approval is consistent with the procedures outlined in Rule 16.6.8 above.

(c) The Cabinet in the circumstances noted in (b) above, may also authorise commitments for the second and third years of the capital programme.

16.6.32 Approval of the Council to the inclusion of a capital scheme in the programme is given on the basis that the relevant service will finance any additional revenue costs, other than capital financing charges, from within their existing revenue budgets, unless the Council has approved such specific additional revenue costs.

16.6.33 Any deficit in the funding for a scheme included in the Capital Programme shall be met by virement from within the appropriate department's revenue budget, but if a department is unable to meet such a commitment a full report shall be submitted to the Cabinet on the reasons for the overspend.

16.6.34 The Cabinet shall take appropriate action and may approve supplementary funds in situations where such action is necessary, subject to the annual limit noted in Financial Procedure Rule 16.6.11, and only after having considered a report by the Chief Officer on the matter. Any request for supplementary funds over the ceiling or any change in the approved limit must be referred to the Council.

16.6.35 In circumstances where a virement is made from the revenue budget to the capital budget, a Chief Officer shall be authorised to include new schemes in the capital budget where the virement is made pursuant to the provisions of Financial Procedure Rule 16.7, subject to the constraints noted in that financial rule.

16.6.36 The Head of Finance will monitor the generation of capital receipts and will provide monitoring information, compared to the assumption made in the Council's approved capital programme for the generation of capital receipts, for inclusion in the capital monitoring reports to the Cabinet

16.6.37 The Chief Officer will have the right to use capital receipts that are within the control of the department where the value of that use is not in excess of £50,000. Approval by the Cabinet will be required for such use where the amount is in excess of £50,000.

16.6.38 Rules 16.6.36 and 16.6.37 shall not be applicable for sales of Council vehicles, on condition that these vehicles to be disposed of are replaced with another vehicle bought for the same purpose.

16.7 Scheme of Virement

Purpose:

The scheme of virement is intended to enable the Cabinet, members and officers to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council and therefore to optimise the use of resources.

16.7.1 Virement can only be approved if:

(a) the proposed expenditure is not contrary to Council policy;

(b) the future revenue burden on the service is not increased.

Revenue Budget

16.7.2 (a) Virement between headings in a department's budget, either for one year or permanently, may be permitted from Revenue Budgets in accordance with the process set out in the following table:

Cumulative amount for the year	Approval of Virement
Up to £100,000	Chief Officer
£100,000 - £200,000	Chief Officer in consultation with the Relevant Cabinet Member, the Head of Finance and the Head of Strategic Improvement
£200,000 or above	The Cabinet.

The above process does not allow virements from growth money allocated in the current or previous financial year without the approval of the Cabinet Chief Officers shall inform the relevant Finance Manager of any virement, and the Finance Manager shall inform the Head of Finance.

(b) The Cabinet may release specific sums from any central contingency fund.

(c) Virements from income budgets that are based on fees and charges are not allowed without the agreement of the Head of Finance.

Capital Budget

16.7.3 Virement between Capital schemes already in the starts programme may be approved as follows:

Cumulative amount for the year	Approval of Virement
Up to £100,000	Chief Officer

£100,000 - £200,000	Chief Officer in consultation with the relevant Cabinet Member, the Head of Finance and the Head of Corporate Support
£200,000 or above	The Cabinet

16.8 Maintenance of General Reserves

Purpose:

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.

16.8.1 The Head of Finance shall advise the authority on its strategy regarding reserves which shall include those general reserves that it should hold. The Head of Finance shall be responsible for exercising the provisions of Sections 26 and 27 of the Local Government Act 2003.

16.8.2 The Head of Finance shall consider annually the appropriateness of the levels of the general reserves and will present the draft strategy to the Cabinet. The draft strategy will also be presented to the Audit and Governance Committee to allow that Committee to consider the propriety of these arrangements in relation to the Council's risks.

16.8.3 General reserves shall be maintained in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.

16.8.4 Specific reserves may be established when the Cabinet earmarks a particular sum for a particular purpose and the sum is not spent in the year in question and may also be established in order to safeguard the Council against potential financial risks which could arise, or for funds provided to the Council by third parties.

16.8.5 The Head of Finance will be responsible for ensuring that such reserves are utilised for the intended purpose. Any reserves not required for the intended purpose shall be returned to balances unless the Cabinet determines otherwise.

16.8.6 The Head of Finance shall periodically review the level of specific reserves and before closing the final accounts he shall consider their adequacy.

16.8.7 Where, in relation to the previous financial year, it appears to the Head of Finance that a specific reserve is or is likely to be inadequate, he must report to the Cabinet on the reasons for that situation and what action, if any, he considers appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration.

16.8.8 The use of any general reserves must be used in accordance with Rules 16.6.11 and 16.6.12.

Risk Management and Contrtol of Resources

16.9 Risk Management

PURPOSE:

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

16.9.1 The Senior Manager, Audit & Risk shall prepare and promote the Authority's risk management policy and statement and strategy.

16.9.2 It shall be the responsibility of each Chief Officer to ensure that risk management is brought to the attention of relevant staff in their service areas and that there are regular reviews of risk within their service areas and that risk management controls are developed. Every Chief Officer shall ensure that risk registers are prepared in a form agreed with the Head of Finance.

16.9.3 The Head of Finance shall develop financial risk management controls in conjunction with the Council's other Chief Officers.

16.9.4 The Senior Manager, Audit and Risk shall ensure that arrangements are in place for measuring the effectiveness of the risk management process, and that all findings from monitoring arrangements are fed back into the risk management cycle. Chief Officers shall be responsible for ensuring that the register of risks relating to their services remains accurate.

16.10 Insurance

Purpose:

Some risks can be insured against. Although the insurance cover will not prevent an event from occurring, adequate insurance is required so that any financial losses can be mitigated as far as is reasonably possible.

16.10.1 The Head of Finance shall effect all insurance cover which may include self-insurance. The Monitoring Officer in consultation with the Head of Finance and any other officer shall negotiate all claims against the Council not covered by insurance.

16.10.2 Chief Officers shall give prompt notification to the Council's Insurance and Risk Service of all new risks, properties or vehicles, which require to be insured and of any alterations or other matters affecting existing insurances, to reflect the principle of utmost good faith.

16.10.3 Chief Officers shall forthwith notify the Head of Finance and confirm in writing any loss, liability or damage or of any event likely to lead to a claim. No officer shall admit liability to a claimant, or make any statement which could be construed as such, concerning a matter which may be the subject of a claim.

16.10.4 All appropriate employees shall be included in a suitable fidelity guarantee insurance as required under Section 114 of the Local Government Act 1972. The Head of Finance shall be responsible for notifying the insurers of any circumstances required under the terms of the policy, and for making any claims where the Council has suffered loss.

16.10.5 The Head of Finance shall at such periods as he may consider necessary, review all insurances in consultation with other Chief Officers as appropriate.

16.10.6 Chief Officer shall consult with the Head of Finance and the Monitoring Officer respecting the terms of any indemnity which the Council is requested to give. Chief Officers shall consider and arrange adequate Professional Indemnity Insurance for the duties of staff within their services.

16.11 Internal Controls

Purpose:

Gwynedd Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. The system of internal control is established in order to provide measurable achievement of: efficient and effective operations, reliable financial information and reporting, compliance with laws and regulations and risk management.

16.11.1 Chief Officers shall establish effective internal controls, including 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.

16.11.2 The Senior Manager Audit and Risk is responsible for advising on effective systems of internal control. Effective internal control systems should ensure compliance with all relevant statutes and regulations, and other relevant statements of best practice. They should also ensure that public funds are properly safeguarded and used economically, efficiently and in accordance with statutory authorities and other authorities that govern their use.

16.11.3 Chief Officers are responsible for establishing sound arrangements for planning, evaluation and control of their operations in order to achieve continuous improvement, value for money, effective use of resources and achievement of their financial performance targets.

16.11.4 The Council is required to provide a Statement of Internal Control in accordance with the Accounts and Audit (Wales) Regulations 2014. This statement will be incorporated within the Annual Governance Statement; as part of this statement, the Chief Executive and Leader of the Council must comment on the effectiveness of the internal control environment of the whole Council, as a key indicator of good governance.

16.12 Internal Audit

Purpose:

The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972. Accordingly, internal audit is an independent and objective appraisal function established by the authority for reviewing the system of internal control.

16.12.1 A continuous internal audit, under the independent control and direction of the Head of Finance, shall be arranged to carry out an examination of accounting, financial and other operations of the Council in accordance with the Accounts and Audit Regulations.

16.12.2 The Internal Audit function shall be conducted, as far as is practicable, in accordance with the Public Sector Internal Audit Standards. The Senior Manager Audit and Risk is the designated "Chief Audit Executive" pursuant to the Standards.

16.12.3 The Internal Audit Strategy and remit will be included in the Council's Internal Audit charter which is reviewed and approved by the Audit and Governance Committee.

16.12.4 The Head of Audit and Risk will usually report directly to the Head of Finance. However, he/she may also report to or turn to the Chief Executive, the relevant Corporate Director, the Monitoring Officer and the Chairman of the Audit and Governance Committee if, in specific circumstances he considers it necessary

16.12.5 The Head of Finance and Senior Manager, Audit and Risk, or their authorised representative shall have authority to :-

a) enter at all reasonable times on any Council premises, land or contract sites;

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 in his opinion necessary concerning any matter under examination;

d) require any employee of the Council to produce cash, stores or any other Council property under his control.

16.12.6 The Head of Finance shall agree the medium-term and annual audit plans prepared by the Senior Manager, Audit & Risk which takes account of the characteristics and relative risks of the activities involved. The plans shall be approved by the Audit and Governance Committee

16.12.7 All relevant managers shall consider and respond promptly to recommendations in audit reports. Chief Officers shall ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion in accordance with the agreed action plan.

16.12.8 The Senior Manager, Audit and risk shall report regularly to the Audit and Governance Committee:

a) On the results of Internal Audit work in the preceding period;

b) On any substantial control weaknesses discovered or audited;

c) On any audit recommendations that were not implemented within the agreed timetable, where a failure to act on those recommendations would prolong a substantial control weakness.

d) Progress on completion of the Internal Audit Plan for the current year.

16.13 External Audit

Purpose:

Gwynedd Council's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the authority and its income and expenditure for the year in question and complies with the legal requirements. The external auditor must also report on the Council's arrangements to manage its performance.

16.13.1 Each of the Council's activities are subject to audit under the Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and 2006 and the Local Government Measures (Wales) 2009 and 2011.

16.13.2 It is an expectation that external auditors act in accordance with the Auditor General's Audit Code of Practice. It is the duty of all officers of the Council to avoid preventing the auditor from complying with the Code.

16.13.3 The Head of Corporate Support is responsible for co-ordinating the Council's relationship with the Wales Audit Office's Relationship Manager for the purposes of external audit and inspection. Council officers are required to inform the Head of Corporate Support if they believe that the external auditors are not acting in compliance with the Auditor General's Code of Audit Practice.

16.13.4 The Head of Finance will develop co-operation and working relations with the Relationship Manager and the appointed Auditor, including giving and receiving relevant information, whether confidential or not, and :-

a) ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work;

b) ensure there is effective liaison between external and internal audit;

c) work with the external auditor and advise the full Council, Cabinet and Chief Officers on their responsibilities in relation to external audit;

d) ensure that all records and systems are up to date and available for inspection.

16.14 Preventing Fraud and Corruption

Purpose:

The authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority. The authority's expectation of propriety and accountability is that members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

16.14.1 The Council shall adopt, maintain and promulgate an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption.

16.14.2 Managers shall deal swiftly and firmly, and in accordance with these Financial Procedure Rules and the Council's Anti-Fraud, Anti-Bribery and Anti-Corruption Strategy, with those who defrauded or attempt to defraud the authority, accept or offer bribes or who are corrupt.

16.14.3 Officers of the Council shall at all times ensure that any receipt of gifts or hospitality is done so in full compliance with the Council's Code of Practice on the Receipt of Gifts and Hospitality which forms part 7.7 of the Council's Local Conditions of Service. Council Officers shall also at all times, ensure compliance with the Staff Code of Conduct.

16.14.4 Members of the Council shall at all times ensure compliance with the Code of Conduct for Members, and shall not accept gifts or hospitality from third parties except in so far as they fall within that allowed by the Code of Conduct.

16.14.5 The Head of Corporate Support shall put in place appropriate whistle blowing procedures, including maintaining a Whistleblowing Policy, and ensure that these procedures are operated effectively and reviewed regularly.

16.14.6 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or any arrangements to claim an inappropriate payment from the Council (including timesheets or travelling claims), or other property of the Council, the Chief Officer or other officer making the discovery shall comply with the Council's Anti-Fraud Strategy and forthwith notify the Head of Finance and/or Senior Manager Audit and Risk, who shall take such steps as he considers necessary by way of investigation and report.

16.14.7 Provided that where, on consideration of such a report, the Monitoring Officer is of the opinion that there is a prime facie breach of the criminal law, at the discretion of the Head of Finance, the matter shall be reported to the Police for further investigation. If an employee of the Council is involved, disciplinary action shall be taken as a matter of urgency in accordance with the Council's Disciplinary Procedures whether or not the matter is referred to the Police.

16.14.8 Whenever there is a loss of property (including loss by fire) or cash the Chief Officer or other officer making the discovery shall forthwith notify the Council's Insurance and Risk Service who shall be responsible for making such claims as are appropriate on the Council's Insurers.

16.15 Assets

Security

Purpose:

The authority holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations.

16.15.1 The Head of Environment shall establish and maintain a terrier of all land and buildings owned by or leased to the Council (including agreements for lease, tenancy agreements and licences) recording date of acquisition or appropriation, purpose for which held, holding service, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies and licences granted.

16.15.2 Each Chief Officer shall, in respect of land or buildings, for which he is responsible, ensure that they are properly used for the purposes for which they are held; that they are inspected no less frequently than annually and that adequate steps are taken to safeguard the Council's title thereto.

16.15.3 Each Chief Officer is responsible for maintaining property security at all times for all buildings, stocks, stores, furniture, equipment, records, cash, etc., under his control and for security of access to computer systems under his control. He shall consult the Head of Finance in any case where it appears that security is lacking or where special security arrangements are considered necessary.

16.15.4 Maximum limits for cash holding shall be agreed with the Control & Capital Accountant and shall not be exceeded without her express permission.

16.15.5 Each Chief Officer shall make suitable arrangements for the safe custody of keys to safes and similar receptacles. The loss of any such keys must be reported to the Senior Manager Audit & Risk forthwith.

16.15.6 Every officer shall make suitable arrangements for the protection of information under his control, whether on computer systems or otherwise, including the security of passwords.

16.15.7 The Head of Finance shall be responsible for maintaining proper security and protection of information on the Council's corporate computer systems and shall arrange for review of each transfer of data from and to subsidiary systems before and after such transfers in order to ensure the integrity of the data.

Land and Buildings

16.15.8 Land and buildings may be acquired only in accordance with the Scheme of Delegation to Officers where there is a budget for such acquisitions. For all other acquisitions the approval of the Cabinet member is necessary.

16.15.9 Land and buildings may be sold or exchanged only in accordance with the instructions of the Cabinet or in accordance with such arrangements as may be approved from time to time by the Cabinet. Where such a transaction is for an amount that the Corporate Property Manager instructs is less than the best consideration that can be obtained for the property, the Cabinet must satisfy itself that the transaction complies with the General Disposal Consent (Wales) 2003. In all other instances, property will be sold or exchanged at open market value as determined by the Corporate Property Manager.

16.15.10 Buildings may be demolished only where resources are available for such demolition.

16.15.11 Each Chief Officer shall ensure that all surplus departmental land and buildings is reported expeditiously to the Corporate Property Manager, who shall make recommendations to the Chief Officer on the disposal or otherwise of the land and/or buildings.

16.15.12 The Monitoring Officer shall make such arrangements as he deems necessary to ensure the safe custody of all documents of title to land owned or leased by the Council.

16.15.13 For the purpose of this Rule and for the avoidance of doubt, land shall include any estate or interest in land whether legal or equitable.

Inventories

16.15.14 Inventories by location shall be maintained by all departments and therein shall be recorded an adequate description of furniture, fittings and equipment (including ICT equipment), plant and machinery. The extent to which the property of the Council shall be so recorded, and the form in which the inventories shall be kept, shall be determined by the Head of Finance in consultation with the Chief Officer concerned.

16.15.15 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 specified directions issued by the Chief Officer concerned.

16.15.16 Disposals of surplus property, other than land and buildings, shall be carried out in accordance with Rules 16.15.30 to 16.15.31.

16.15.17 An itemised inventory shall be compiled in the presence of at least two officers where steps are necessary in eviction, re-possession or similar cases to prevent or mitigate loss or damage to private moveable property and a copy shall be forwarded to the Head of Finance.

Stock and Stores

16.15.18 Each Chief Officer shall be responsible for the secure custody of the stocks and stores in his department. The stores records shall be kept by the Chief Officer in such form as may be approved by the Head of Finance from time to time.

16.15.19 Stock shall not be in excess of normal requirements except in special circumstances with the approval of the Head of Finance.

16.15.20 A delivery note signed by the person receiving the goods must be obtained whenever practicable in respect of every delivery of goods, and be handed in at the time of delivery. All goods must be checked as regards quantity and where practicable, quality, at the time delivery is made. Where quality and compliance with specification cannot be checked at the time of delivery, this must be done as soon as possible thereafter. Goods which are clearly defective or not in accordance with specification shall not be accepted. Delivery notes shall be noted accordingly.

16.15.21 Each Chief Officer shall furnish the Head of Finance with such returns in connection with stores records or cost records as may be necessary for the purpose of the accounting and financial records of the Council. The Head of Finance, in conjunction with the Head of Service concerned, shall determine the method to be followed in the valuation of stores.

16.15.22 Issues of stores by a storekeeper or other person having charge of stores shall be supported by a requisition signed by an authorised person stating the quantity of goods required. A receipt for the stores issued shall be obtained on a stores receipt, to be signed by the person responsible for the issue.

16.15.23 Annually at 31st March in each year, or as near to that date as may be practicable, or at such other date as may be agreed with the Head of Finance, a complete stocktaking of all stores shall be carried out by a responsible officer deputed for the purpose by each Chief Officer, (other than any engaged in storekeeping activities), and stock records shall be prepared showing the actual stocks on hand duly priced; provided that annual stocktaking may be waived in the case of departments where a satisfactory system of continuous stocktaking is in operation. Any material surplus or deficiency shall be reported to the Head of Finance in such form as may be prescribed by him. No material surplus or deficiency may be written off except in accordance with Financial Procedure Rule 16.20.13.

16.15.24 A representative of the Head of Finance may be present at any stocktaking for the purpose of making test checks and shall be authorised to make test checks at any other time.

16.15.25 Each Chief Officer shall sign the stock sheets or stock records of his department in manuscript certifying that the particulars and prices shown thereon are correct, and forward a certificate relating thereto to the Head of Finance.

Intellectual Property

Purpose:

Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee.

16.15.26 Chief Officers shall make sure that controls are in place to ensure that employees do not carry out private work during periods when they are working for the Authority and that employees are aware of an employer's rights with regard to intellectual property.

16.15.27 No senior employee shall, during the course of his employment, undertake work other than work for or on behalf of the Authority, without the approval of the Chief Officer, in accordance with the Staff Code of Conduct.

16.15.28 If at any time during his employment an employee makes or discovers or participates in the making or discovery of any Intellectual Property relating to or capable of being used by the Authority the employee shall forthwith give full details of the intellectual Property to the relevant Chief Officer.

Asset Disposal

Purpose:

It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the authority.

16.15.29 Subject to any resolution of the Council, surplus property of whatever nature, other than land and buildings, may be disposed of only by arrangements agreed with the Head of Finance and shall, where applicable, be by competitive quotation, tender, or public auction, wherever practicable; the procedure being in accordance with the

Contract Standing Orders, Disposal by any other method must receive the prior approval of the Head of Finance in writing.

16.15.30 Officers disposing of surplus property, other than land and buildings, should consider redeployment within another service of the Council and/or other recycling opportunities.

16.15.31 Payment for surplus property of whatever nature must be made before or concurrently with handing over to the purchaser unless other satisfactory arrangements have been made with the Head of Finance beforehand.

16.15.32 The Head of Finance shall be informed of any disposal to ensure the appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

16.16 Treasury Management

Purpose:

Many millions of pounds pass through Gwynedd Council's books each year. Good Treasury Management provides assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the authority's capital sum.

Treasury Management and Banking

16.16.1 All arrangements concerning the Council's banking accounts, and the issue of cheques and of bank transfer instructions, shall be made by or under arrangements approved by the Head of Finance. Bank accounts shall stand in the name of Gwynedd Council and not in the name of any officer either by name or designation. All cheques drawn on the Council's bank accounts, but excluding cheques drawn on authorised imprest accounts, shall bear the printed facsimile signature of the Head of Finance who shall make such arrangements to issue them as may be approved by the Council, particularly in respect of authorised signatures. Bank transfers of any sort may be authorised only under arrangements made by the Head of Finance.

16.16.2 The Head of Finance and, subject to his supervision, every other person operating a bank account on behalf of the Council, shall make safe and efficient arrangements on its behalf for the control of access to blank cheques, the preparation, signing and despatch of cheques, prompt examination of paid cheques and independent reconciliation of cash book with bank statements.

Investments and Borrowing

16.16.3 The Head of Finance shall be responsible for borrowing, temporary investment, reborrowing and repayment of monies, subject to any constraint imposed by government legislation and CIPFA's Code of Practice for Treasury Management in Local Authorities, within limits set by the Full Council in the Treasury Management Strategy Statement, the Minimum Revenue Provision Strategy and the Annual Investment Strategy, the Council's Prudent Indicators and the Treasury Management Schedules. The Head of Finance shall report on these activities to the Audit and Governance Committee.

16.16.4 The Council shall appoint a Pensions Committee which will make, and from time to time, review the arrangements for the effective management and safe custody of pension fund investments, including the appointment and dismissal of fund managers.

16.16.5 Investments made in the name of nominees under arrangements made with fund managers shall be earmarked to designated accounts which uniquely identify the Council's beneficial interest. Other investments shall be made in the name of the Council, but may be earmarked to designated accounts.

16.16.6 No officer shall enter into any leases or other arrangement to pay for goods or services over a period of time without the approval of the Head of Finance.

16.16.7 The Monitoring Officer shall be the Council's Registrar of general stocks, bonds and mortgages, whilst the Council will appoint a Custodian for the assets of the Pension Fund.

Trust Funds

16.16.8 All trust funds shall, wherever possible, be in the name of the Council and administered by it.

16.16.9 All officers acting as trustees by virtue of their official position shall deposit all money, investment securities, etc. relating to the trust with the Head of Finance unless other arrangements are approved by him in writing.

16.16.10 This Rule shall not apply to Receiverships supervised by the Court of Protection.

Imprest Accounts

16.16.11 The Head of Finance shall provide such imprest accounts as he considers appropriate for officers of the Council and others who may need them for the purposes of defraying petty cash and other expenses.

16.16.12 Where he considers it appropriate, the Head of Finance shall open an account with the Council's bankers for use by any imprest holder who shall not cause such accounts to be overdrawn. It shall be a standing instruction to the Council's bankers that the amount of any overdrawn balance on the imprest holder's banking account shall forthwith be reported to the Head of Finance.

16.16.13 No income received on behalf of the Council may be paid into an imprest account but must be banked or paid to the authority as provided elsewhere in these regulations.

16.16.14 Payments shall be limited to minor items of expenditure and to such other items as the Head of Finance may approve and shall be supported by a receipted voucher to the extent that the Head of Finance may require. All vouchers must be V.A.T. accounts, where V.A.T. is chargeable.

16.16.15 An officer responsible for an imprest account shall give the Head of Finance a certificate as to the state of the imprest advance, as provided for on the reimbursement claim form, and at other times if so requested.

16.16.16 Claims for reimbursement of expenditure shall be made monthly except where special arrangements have been approved by the Head of Finance.

16.16.17 On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest advance, a person shall account to the Head of Finance for the amount advanced to him, in a form prescribed by the Head of Finance.

16.16.18 An imprest account must be kept secure and separate from the personal money of the responsible person and from any other funds held by him.

16.16.19 This section shall not apply to schemes for chequebooks for schools which may be adopted by the Council.

16.17 Staffing

Purpose:

In order to provide the highest level of service, it is crucial that the authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

16.17.1 The Chief Executive shall provide overall management to staff. The Head of Corporate Support shall be responsible for ensuring that an appropriate evaluation or other agreed systems for determining the remuneration of a job is in place.

16.17.2 The Head of Finance shall ensure that budget provision exists for all existing and new employees and Chief Officers must consult with the Head of Finance on any amendments to the staffing establishment through a structure amendment form.

16.17.3 Chief Officers shall ensure that appropriate arrangements operate within their services in order to notify the Head of Finance as soon as possible and in the form prescribed by him, of all matters affecting the payment of such emoluments and in particular:

(a) appointments, resignations, dismissals, suspensions, secondments and transfers;

(b) absences from duty for sickness or other reason, apart from approved leave;

(c) changes in remuneration, other than normal increments and pay awards and agreements of general application;

(d) information necessary to maintain records of service for pension, income tax, national insurance and the like.

16.17.4 The Head of Finance shall act as an advisor to the Chief Officer on areas such as National Insurance and pension contributions, as appropriate.

16.17.5 Chief Officers, with the assistance of relevant Finance Managers, shall produce an annual staffing budget and ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).

16.18 Protection of Personal Property

Purpose:

There are occasions where designated officers of the Council, in accordance with the law, shall become responsible for the protection of the private property of a third party. It is essential that the management and care of these properties are regulated.

16.18.1 The Corporate Director who is the Director of Social Services in accordance with Section 6 of the Local Authority Social Services Act 1970 (or any other Chief Officer affected), shall take all necessary steps to prevent or mitigate loss or damage of a client's (being a person other than the Council), moveable property, where responsibility lies within the National Assistance Act 1948, and shall arrange for an itemised inventory in each case to be prepared in the presence of two officers, in a form prescribed by the Head of Finance.

16.18.2 An itemised inventory shall be taken as soon as possible after the Chief Officer has been appointed as the Court Receiver and in each case the inventory should be completed in the presence of two officers and be retained. All valuables such as jewellery, watches and other small articles of a similar nature and documents of title shall be deposited with the Head of Social Services (and any other Chief Officer affected), for safety custody. Any loss of property shall be reported to the Head of Finance, without delay.

Financial Systems and Procedures

16.19 General

Purpose:

Departments have many systems and procedures relating to the control of the authority's assets including purchasing costing and management systems. The Head of Finance has a professional responsibility to ensure that the authority's financial systems are sound and should therefore be notified of any new developments or changes.

16.19.1 The Head of Finance shall assume responsibility for the operation of the authority's accounting systems, the form of accounts and the supporting financial records. Any changes made by the Chief Officers to the existing financial systems or the establishment of new systems or change to financial stationery must be approved by the Head of Finance. However, Chief Officers are responsible for the proper operation of financial processes in their own services.

16.19.2 Any change to agreed procedures by Chief Officers to meet their own specific service needs should be agreed with the Head of Finance.

Income and Expenditure

16.20 Income

Purpose:

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all 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 authority's cashflow and also avoids the time and cost of administering debts.

16.20.1 Each officer who receives money on behalf of the Council shall give such acknowledgement thereof and keep such records as may from time to time be approved by the Head of Finance, including an accurate and chronological account of all receipts and deposits. Such records may include those which are kept and produced by electronic tills and other automatic systems.

16.20.2 No officer shall give a receipt for money received on behalf of the Council on any form other than the form approved by the Head of Finance.

16.20.3 Cheques shall not be cashed out of the money held on behalf of the Council.

16.20.4 All monies received on behalf of the Council in any service shall be balanced and paid to the Head of Finance, without any deduction whatsoever, daily or at such other interval as he may decide. By arrangement with the Head of Finance, such monies may be paid direct to one of the Council's accounts. The Head of Finance shall ensure that there are safe and efficient arrangements for the recording of income received by direct data.

16.20.5 For the purpose of paying money to the Council's bankers or Giro Bank Account such officers shall use the official paying-in slip, and on the counterfoil or duplicate thereof, particulars of such payments including, in the case of each cheque paid in:

(a) the amount of the cheque, and

(b) a reference (such as the number of the receipt given or the name of the debtor) which will connect the cheque with the debt or debts in discharge or partial discharge of which it was received.

16.20.6 Each cheque must be specifically crossed to the Council on the face and the receiving establishment reference and address recorded on the reverse.

16.20.7 All official receipt forms or receipt books, licences, tickets (of value) and all documents or vouchers representing receipts for money's worth shall be in the form approved by the Head of Finance and shall be ordered, controlled and issued to services by him and all receipts and issues thereof shall be properly recorded and acknowledged. All books and forms of account shall be in the form approved by the Head of Finance.

16.20.8 The collection of all amounts due to the Council shall be under the control of the Head of Finance and all accounts shall be rendered through him unless otherwise agreed by him. Particulars of all charges to be made for work done, services rendered or good supplied by the various services and of all other amounts due shall be promptly notified to the Head of Finance in the form prescribed by him. The Head of Finance

in conjunction with the Chief Officer concerned shall make and maintain arrangements for the financial organisation and accounting necessary to ensure the prompt and proper recording of all sums due to the Council and for the collection, custody, control and disposal of all cash within the various services.

16.20.9 In respect of grants due to the Authority, the appropriate Chief Officer shall ensure that grant claims are submitted promptly in accordance with the paying organisation's timetable so as to optimise cash flow. The Head of Finance shall be responsible for certifying the financial accuracy of any claim and in this respect, Chief Officers must ensure that appropriate arrangements are in place to ensure that the Authority's Financial Ledger includes timely and accurate details of all relevant expenditure. Upon request, Chief Officers shall certify to the Head of Finance that all relevant expenditure is contained in the ledger and that it complies with the conditions and has been used for the purposes of the original grant determination.

16.20.10 No debit in respect of an amount due to the Council once established shall be discharged otherwise than by payment, by the issue of an official credit note or as provided for in financial regulation 16.20.13. Neither post-dated cheques or third party cheques shall be accepted in payment of debt. Any cash deposits of more than £10,000, or series of cash deposits from the same payer where the total amount exceeds £10,000 must be reported immediately to the Head of Finance, who shall make such arrangements are required by the Money Laundering Regulations 2003.

16.20.11 The Head of Environment or other appropriate Chief Officer shall notify the Head of Finance as early as possible of all monies due to the Council under contracts, leases, tenancy agreements, agreements for sales of property and any other agreements involving the receipt of money by the Council. Any suns due to be paid directly into the Council's bank accounts by third parties should be notified to the Head of Finance in advance of receipt.

16.20.12 Each Chief Officer shall conduct a complete review of all charges, fees, prices, etc. levied by the department, in accordance with the Council's Fees and Prices Policy. Fees, prices and charges shall be set by the Chief Officer for the following year in consultation with the Chief Executive, Head of Finance, Monitoring Officer and Cabinet Member, and in accordance with the Scheme of Delegation to Officers.

16.20.13 Sums due to the Council shall not be written off except :

(a) with the authority of the Head of Finance in the case of individual debts totalling up to £5,000, and in the case of debts where the debtor has been made bankrupt, or a limited company has been liquidated by a court judgement;

(b) with the authority of the Head of Finance and the Cabinet Member for Resources in the case of debts except those referred to in (a).

16.20.14 The Head of Finance may prescribe that, generally or particularly, specified goods or services shall not be supplied on credit terms or shall be supplied only on pre-payment or concurrent payment.

Ordering and Paying for work, goods and services

Purpose:

Public money should be spent with demonstrable probity. Authorities have a statutory duty to achieve best value in part through economy and efficiency. These requirements should be read in conjunction with the Council's Standing Orders relating to contracts.

Ordering.

16.20.15 Orders in a form approved by the Head of Finance shall be issued by all services for all works, goods and services required, except for professional services, supplies of public utility services, rent, rates and petty cash disbursements. Such orders shall be signed by the Chief Officer or other senior officer authorised by him who shall satisfy himself at the time of issuing the order that authority exists for the expenditure and that it can be met from the approved estimates.

16.20.16 Where alternative electronic ordering procedures are used, the relevant Chief Officer shall ensure that appropriate controls exist, and that the use of such procedures are approved by the Head of Finance.

16.20.17 Where, as a matter of urgency, works, goods or services are ordered orally a written official confirmatory order shall be issued on the same day or the following working day. Officers authorised by the Head of Service to sign orders on his behalf shall be agreed with the Chief Officer and the names sent to the Head of Finance together with specimen signatures and initials and shall be amended on the occasion of any change in personnel.

16.20.18 Each order shall conform to the directions of the Council with respect to central purchasing and standardisation of supplies and materials.

16.20.19 A copy of each order shall, if so required, be supplied to the Head of Finance.

16.20.20 Where the estimated value of an order exceeds £5,000, and is not from central purchasing suppliers, wherever practicable, three quotations should be obtained. Any relevant order, for whatever amount, shall be subject to the Contract Procedure Rules, which form part of the Council's Constitution.

6.20.21 Each Chief Officer, in respect of those works, goods and services which are purchased on a regular basis, shall at regular intervals of not more than twelve months test prices by obtaining at least three written quotes in accordance with Contract Standing Orders, provided that this requirement shall not apply where the annual purchase value of any work, goods or service is less than £5,000.

Payments

16.20.22 All payments out of the accounts of the Council, with the exception of payments out of petty cash imprests, shall be made by the Head of Finance who shall issue such instructions in this respect as he deems necessary. Except as provided in 16.20.23 below all accounts for payment shall be certified in manuscript for payment by the appropriate Chief Officer or other senior officer specifically authorised by him who shall certify that the account is properly payable by the Council, such certification shall be in such form as may be approved by the Head of Finance.

16.20.23 Where alternative electronic payment processes are used, the relevant Chief Officer shall ensure that appropriate controls exist, and that the use of such processes are approved by the Head of Finance.

16.20.24 The names of officers authorised to certify such accounts shall be sent to the Head of Finance by each Chief Officer, together with specimen manuscript signatures and initials and shall be amended on the occasion of any change.

16.20.25 The certification of an account shall mean:

(a) that the goods have been duly received, examined and approved in accordance with the specification, and are satisfactory, and that the prices are in accordance with the contract or order; and that the corresponding copies of official orders have been marked to show that the goods have been passed for payment;

(b) that the work done or service rendered has been satisfactorily carried out and that where applicable, the materials used were of the requisite standard, and that the charges are correct;

(c) that the account is arithmetically accurate (unless by arrangement the Head of Finance is responsible in any particular case);

(d) that the appropriate entries have been made in inventories, stock records, as required.

(e) that the account has not previously been passed for payment and is a proper liability of the Council.

16.20.26 Such certification shall be deemed by the Head of Finance to form a warranty by the certifier that the payment has met the above conditions and that he may therefore pay the amount in question.

16.20.27 The Head of Finance may make arrangements for the acceptance by him of certification of batches of invoices from spending services, subject to the following:

(a) the names of officers authorised to make such batch certifications shall be sent to the Head of Finance by each Chief Officer together with specimen manuscript signature and initials and shall be amended on the occasion of any change, separately from details of officers authorised to certify individual accounts, and the Head of Finance shall maintain separate lists of such persons.

(b) The batch certification shall mean that each and every individual invoice in the batch has been certified in accordance with 16.20 25 above, and that each payee named in the batch is certified as being correct.

(c) There exists for each batch certification adequate systems of record keeping and internal checks as will allow the individual authorisations to be traced, to the satisfaction of the Head of Finance.

16.20.28 Subject only to the conditions of contracts of other agreements, accounts shall be submitted to the Head of Finance for payment at such intervals as he may decide Spending services shall indicate on each account by the use of codes prepared by the Head of Finance or otherwise, the expenditure heading to which the account should be charged.

16.20.29 Where an invoice is a VAT invoice, no amendments shall be made to it. Incorrect VAT invoices, must be returned to the supplier for amendment. For non VAT invoices, amendments shall be made in ink and initialled by the officer making it, stating reasons briefly where they are not self evident.

16.20.30 Each Chief Officer shall as soon as possible and not later than a date in each year specified to him, notify the Head of Finance of all outstanding expenditure relating to the previous financial year in such form as he may require.

16.20.31 The Head of Finance shall be authorised to make all payments which are properly authenticated, are intra-vires and which comply with the Standing Orders and the Financial Procedure Rules of the Council.

16.20.32 Each Chief Officer shall ensure compliance with such instructions as the Head of Finance shall from time to time issue in respect of payments which fall within the terms of the Inland Revenue's Construction Industry Tax Deduction Scheme.

Credit Cards and Payment Cards

16.20.33 No credit or charge cards of any description to be used for any Council purpose shall be held or used by any officer except by prior agreement of the Head of Finance on application by the appropriate Chief Officer. Where purchase by credit card or charge card is permitted, the officer making use of the facility must provide adequate supporting documentation for each purchase, including a valid VAT invoice/receipt where VAT is chargeable. No private purchases using such a credit or charge card will be permitted.

Payments to Employees and Members

Purpose:

Staff costs are the largest item of expenditure for the authority, it is therefore important that payments are accurate, timely, made only where they are due for services to the authority and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that members' allowances are authorised in accordance with the scheme adopted by the full Council.

16.20.34 The payment of all salaries, wages, pensions compensation and other emoluments to all employees or pensioners of the Council shall be made by the Head of Finance or under arrangements approved and controlled by him. The Head of Finance shall put into effect all nationally approved agreements on conditions of service as they are received.

16.20.35 Appointments of all employees shall be made in accordance with the regulations of the Council and the approved establishments, grades and rates of pay.

16.20.36 All time records or other pay documents shall be in a form prescribed or approved by the Head of Finance and shall be certified in manuscript by or on behalf of the appropriate Chief Officer. The names of officers authorised to sign such records shall be sent to the Head of Finance by each Chief Officer, together with specimen signatures, and shall be amended on the occasion of any change.

16.20.37 Payments of travelling allowances or other expenses to members, including co-opted members of the Council or its committees who are entitled to claim and receive travelling or other allowances will be certified by the Head of Corporate Support or other officer designated by him before being paid by the Head of Finance.

16.20.38 All claims by officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be in a form and according to a timetable approved by the Head of Finance for various categories of officer, shall be duly certified for payment by the relevant Chief Officer, his deputy or other officer specifically authorised by him to certify travelling and subsistence claim forms, before such claim forms are processed. Each Chief Officer shall ensure that different officers carry out the duties of batching claims, inputting of claims to the travelling and subsistence systems and authorising transfer of batches of claims to the payroll system for payment.

16.20.39 The certificate by or on behalf of the Chief Officer 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 to the Council.

16.20.40 The Head of Finance shall be authorised to make all payments which are properly authenticated are intra-vires and which comply with the Standing Orders and Financial Procedure Rules of the Council.

16.21 Taxation

Purpose:

Like all organisations, Gwynedd Council is responsible for ensuring its tax affairs are in order.

16.21.1 The Head of Finance shall advise Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

16.21.2 The Head of Finance shall maintain the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

16.21.3 The Head of Finance shall:

(a) Account to HMRC for all tax deducted from employees' emoluments under the PAYE arrangements.

(b) Complete a monthly return of VAT inputs and outputs to HMRC.

(c) The Head of Finance shall be responsible for accounting to the appropriate agency for all other forms of taxation payable to or by the Council and for supplying to such agencies such other information as they may validly require.

(d) Provide details to the HMRC regarding the construction industry tax deduction scheme.

(e) Maintain up-to-date guidance for Chief Officers on their responsibilities with regard to any taxation matters, and to individual Council employees on taxation issues.

16.21.4 Chief Officers shall keep appropriate records and supply details as requested by the Head of Finance in order to comply with taxation regulations.

16.21.5 Chief Officers shall:

(a) Ensure that any purchase which is taxable under VAT legislation, whether or not the purchase price includes an element of VAT, shall be paid for only on receipt by the Head of Finance of an invoice complying with VAT regulations or a written guarantee that an authenticated VAT receipt will be issued on payment.

(b) Ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases construction industry tax deduction requirements.

(c) Ensure that where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

(d) Ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona-fide self-employed or are employed by a recognised staff agency.

16.22 Unofficial Funds

16.22.1 Where an officer of the Council is, by virtue of his official position, responsible for money or goods which are the property of a fund connected with a Council establishment, the purpose of which are analogous to the service provided by the Council:

(a) The officer shall keep all monies or goods, the property of the unofficial fund, separate from those of the Council.

(b) Proper records of account shall be maintained and be kept separately from those of the Council.

(c) The fund's controlling body shall appoint a competent person as auditor, to audit the fund's activities annually and report to the fund's controlling body or in the case of schools and colleges the Board of Governors.

(d) Such annual reports shall be held available for inspection by the Internal Auditors if requested.

16.22.2 The Council accepts no liability of whatsoever nature and however caused in the event of any loss in respect of unofficial funds and no person has any authority to bind the Council to accept such liability in respect of such funds.

16.22.3 Agreement by the Council to deduct contributions to various voluntary and other funds from payments of salaries, wages and pensions in accordance with mandates given to the Council and to pay such deductions in total at agreed intervals to the appropriate funds shall in no way make the Council liable for any loss.

16.22.4 Monies properly due to the Council shall not be paid into any unofficial fund, temporarily or otherwise. The Head of Finance shall be authorised to issue such directions either generally or otherwise in this respect.

External Arrangements

16.23 Partnerships

Purpose:

Gwynedd Council works increasingly in partnership with others – public agencies, private companies, community groups and voluntary organisations. These aspects of work require distinct transparent financial and governance arrangements.

16.23.1 The Cabinet shall approve delegations, including frameworks and agreements for partnerships and joint ventures. The Cabinet is the focus for forming partnerships and joint ventures with other local public private, voluntary and community sector organisations to address local needs.

16.23.2 The Cabinet can delegate functions – including those relating to partnerships – to officers. These are set out in the scheme of delegation that forms part of the Council's Constitution. Where functions are delegated, the Cabinet shall remain accountable for them to the Council.

16.23.3 The representative of the Council on any partnership or joint venture shall promote and maintain the same high standards of conduct that apply throughout the Council.

16.23.4 In entering a partnership agreement, the Cabinet must consider the overall corporate governance arrangements and legal issues.

16.23.5 The Head of Finance is responsible for ensuring that the accounting arrangements that are to be adopted on behalf of partnership and joint ventures are acceptable.

16.24 Grants and Other External Funding

Purpose:

External funding often in the form of specific grants, is potentially a very 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 authority.

16.24.1 The Head of Finance shall ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts and that any audit requirements are met.

16.24.2 Chief Officers must ensure that no project that is to be financed by external funding commences until appropriate approval has been received and that the source of the external funding has been confirmed.

16.24.3 Chief Officers shall:

(a) Ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body, whether Gwynedd Council or a third party, are clearly understood.

(b) Act in accordance with Rule 16.6.8 when addressing the budgetary and obligations of the possible fund.

(c) Ensure that any match-funding requirements are given due consideration and that future revenue budgets reflect these requirements, before entering into long-term agreements.

(d) Ensure that all claims for funds are made by the due date.

(e) Ensure that proposals are costed properly and that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.

(f) Ensure that, as far as possible, the Cabinet is aware of any potential significant risk.

(g) Ensure that such contracts do not impact adversely upon the services provided for the Council.

(h) Ensure that such contracts do not impact adversely upon the services provided for the Council.

(i) Provide appropriate information to the Head of Finance to enable a note to be entered into the statement of accounts as required.

16.24.4 There should be no presumption that the Council will incur additional costs, such as severance costs, resulting from the grant or other external funding ends. Except in exceptional cases, it is expected that these costs will be borne of the external financing or the budget of the relevant department if that is not possible. Any request for the use of general reserves are subject to Rules 16.6.21 and 16.6.22.