

FINANCIAL REGULATIONS AND PROCEDURES

Financial Regulations for Lincolnshire County Council

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1. BACKGROUND

- 1.1 Lincolnshire County Council is one of the largest local authorities in England. It provides a diverse range of services to its residents. It works in partnership with district, parish and town councils, police, probation and health providers and a number of other organisations.
- 1.2 Lincolnshire County Council's governance structure is laid down in its Constitution, which sets out how the Council operates, how decisions are made and the procedures that are followed. This document forms part of the Constitution and should be read in conjunction with it.
- 1.3 The Authority has adopted a Leader and cabinet form of Executive.

2. FINANCIAL REGULATIONS

- 2.1 Financial Regulations provide the framework for managing the financial affairs of Lincolnshire County Council. They apply to every Councillor and Officer of the Council and anyone acting on its behalf. Financial Regulations must be adhered to at all times. All Chief Officers are accountable to the Executive Director - Resources for compliance with these rules. The Executive Director - Resources is accountable to the Council. All Officers with delegated responsibility for undertaking financial responsibility are accountable to their Chief Officer for compliance with the Financial Regulations.
- 2.2 The regulations identify the financial responsibilities of the full Council, Executive and Overview and Scrutiny Councillors, the Head of Paid Service, the Chief Executive, the Monitoring Officer, the Executive Director - Resources, other Chief Officers and other Officers. Executive Councillors and Chief Officers should maintain a written record where decision making has been delegated to Members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible Officers, such as school governors, references to the Chief Officer in the regulations should be read as referring to them.
- 2.3 All Councillors and officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and contributes to the achievement of Best Value.
- 2.4 Should a material unauthorised breach of the Financial Regulations come to light then it must be reported immediately to the Executive Director - Resources. The Executive Director - Resources is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the full Council for approval. The Executive Director - Resources is also responsible for reporting material breaches of the Financial Regulations to Chief Officers, the Executive or the full Council as appropriate according to the severity of the breach.

- 2.5 The Executive Director - Resources is responsible for maintaining Lincolnshire County Council's Financial Procedures which set out in detail how the Financial Regulations will be implemented. The Executive Director - Resources may amend the Financial Procedures so long as the Financial Procedures remain consistent with the Financial Regulations. A full index of Financial Procedures is contained as Appendix A to the Financial Regulations alongside an overview of their structure, content and purpose.
- 2.6 Chief Officers are responsible for ensuring that all staff in their directorates are aware of the existence and content of Lincolnshire County Council's Financial Regulations, Financial Procedures and other internal regulatory documents and that they comply with them. They must also ensure that there is adequate availability of and access to the current version of these documents.
- 2.7 The Executive Director - Resources is responsible for issuing advice and guidance to underpin the Financial Regulations that Councillors, Officers and others acting on behalf of the Council are required to follow.

FINANCIAL REGULATION A: ROLES IN FINANCIAL MANAGEMENT

INTRODUCTION

- A.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the Budget and Policy Framework.

THE FULL COUNCIL

- A.2 The full Council is responsible for adopting the Council's Constitution and Members' Code of Conduct and for approving the Budget and Policy Framework within which the Executive operates. It is also responsible for ensuring compliance with the Budget and Policy Framework. The full Council may make decisions outside the Budget and Policy Framework in accordance with paragraph 5 of the Budget and Policy Framework Procedure Rules at part 4 of the Constitution.
- A.3 By approving the Constitution the full Council has identified the responsibility for decision making. Details of who has responsibility for which decisions are set out in the Constitution.

THE EXECUTIVE

- A.4 The Executive is responsible for proposing the Budget and Policy Framework to the full Council and for discharging executive functions in accordance with the Budget and Policy Framework.
- A.5 Executive decisions can be delegated to a Committee of the Executive, an individual Executive Councillor, an Officer or a joint Committee.
- A.6 The Executive is responsible for establishing protocols to ensure that individual Executive Councillors consult with relevant Officers before taking a decision within their delegated authority. In doing so, the individual Executive Councillor must take account of legal and financial liabilities and risk management issues that may arise from the decision.

OVERVIEW AND SCRUTINY COMMITTEES AND PANELS

- A.7 The Overview and Scrutiny Committees are responsible for scrutinising Executive decisions before or after they have been implemented and for holding the Executive to account.
- A.8 The scope of Overview and Scrutiny Committees are set out in Article 6 of the Constitution.
- A.9 Corporate Audit will report its planned work at the commencement of each year and will report the outcomes of that work at least annually to the Audit Committee.

The 'Head of Internal Audit' is required to provide an annual opinion on the effectiveness of the Council's governance, risk and internal control environment (including financial control) to the Audit Committee. This helps inform the Council's Annual Governance Statement — which is a self-assessment on how well the Council has been run.

THE STATUTORY OFFICERS

The Statutory Officers have responsibilities that lie within the Financial Regulations. These are set out below. The full scope of responsibilities for these Officers are contained within Article 10 of the Constitution.

Head of Paid Service

A.10 The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. He/she must report to and provide information for the Executive, the full Council, the Overview and Scrutiny Committees and Panels, other Committees and Groups and is responsible for supporting all Councillors and non-elected members of the Council. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the full Council's decisions.

Monitoring Officer

A.11 The Monitoring Officer is responsible for advising all Councillors and non-elected members and Officers about who has authority to take a particular decision.

A.12 The Monitoring Officer together with the Executive Director - Resources is responsible for advising the Executive or full Council about whether a decision is likely to be considered contrary to or not wholly in accordance with the Budget and Policy Framework. Actions that may be contrary include:

- initiating a new policy;
- committing expenditure above the budget level;
- causing the total expenditure financed from Council Tax, grants, borrowing and general reserves to increase.

Executive Director - Resources

A.13 The Executive Director - Resources has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

Section 151 of the Local Government Act 1972

Requires that Authorities “make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”

The Local Government Finance Act 1988

Section 114 of the Local Government Finance Act 1988 requires the Executive Director - Resources to make a report if the Council 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 Council
- is about to make an unlawful entry in the authority's accounts.

The Executive Director - Resources must send a copy of that report to the external auditor and to each Councillor.

Section 114 of the 1988 Act also requires:

- the Executive Director - Resources to nominate a properly qualified member of staff to deputise should they be unable to perform the duties under section 114 personally
- the Council to provide the Executive Director - Resources with sufficient staff, accommodation and other resources - including legal advice where this is necessary - to carry out the duties under section 114.

The Accounts and Audit Regulations 2011

Specify that a relevant body must:

- Undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.
- Conduct a review at least once in a year of the effectiveness of its system of internal control. Following the review, the Audit Committee, must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control. The annual governance statement must accompany the statement of accounts.
- Conduct at least once a year a review of the effectiveness of its internal audit service. The outcome of this review is scrutinised by the Audit Committee.

The Local Government Act 2003

This identifies the Executive Director - Resources responsibilities in relation to:

- the level of the Authorities reserves and protocols for their use
- reporting on the robustness of the budget and the adequacy of reserves
- taking into account matters as specified in the prudential code
- reporting to Councillors on performance against budget and the impact on reserves.

A.14 The Executive Director - Resources is responsible for:

- the proper administration of the Council's financial affairs
- setting and monitoring compliance with financial management standards and accounting policies
- determining and agreeing the accounting procedures and records for the Council
- financial advice to the Council including advice on the corporate financial position and on the key financial controls necessary to secure sound financial management
- ensuring the provision of financial information
- preparing the revenue budget (in conjunction with Chief Officers) and capital programme
- ensuring that the Annual Statement of Accounts is prepared in accordance with International Financial Reporting Standards and statutory regulations as set out in the *CIPFA Code of Practice on Local Authority Accounting in the United Kingdom*
- treasury management
- maintaining an adequate, effective and continuous audit service of the control systems of the Council
- insurance and risk management

CHIEF OFFICERS

A.15 Chief Officers are responsible for ensuring that Executive Councillors and the relevant Overview and Scrutiny Committees and Panels are fully advised of the financial implications of all proposals and that the financial implications have been agreed where required by the Executive Director - Resources.

A.16 Chief Officers are responsible for consulting with the Executive Director - Resources and seeking approval on any matter liable to affect the Council's finances materially before any commitments are incurred.

A.17 Notifying the Council in conjunction with the Executive Director - Resources of the annual outturn against planned budget.

The Annual Financial Statements

A.18 The Executive Director - Resources is responsible for signing the Annual Financial Statements confirming that they present fairly the financial position of the Council. The Audit Committee is then responsible for approving the Annual Financial Statements. And where there are any concerns arising from the financial statements or from the audit bring these to the attention of the Council'

MAINTENANCE OF RESERVES

A.19 It is the responsibility of the Executive Director - Resources to advise the Executive and the full Council on prudent levels of reserves for Lincolnshire County Council.

FINANCIAL REGULATION B:

FINANCIAL PLANNING AND FINANCIAL MANAGEMENT

INTRODUCTION

B.1 The Councils' budget consists of the Revenue Budget and Capital Programme which is approved by the Council in February each year.

Preparation of the Performance and Budget Plan

B.2 The Head of Paid Service and the Executive Director - Resources are responsible for proposing the Performance and Budget Plan to the Executive for consideration before its submission to the full Council for approval. This will be prepared in consultation with other Chief Officers.

BUDGETING

Resource allocation

B.3 The Executive Director - Resources is responsible for developing and maintaining a resource allocation process that ensures due consideration of the full Council's Budget and Policy Framework.

Budget format

B.4 The general format of the budget will be determined by the Executive Director - Resources in consultation with Chief Officers and the relevant "Executive Councillor.

Budget preparation

- B.5 The Executive Director - Resources is responsible for ensuring that the revenue budget and capital programme is prepared typically on a three-yearly basis and with close regard to the current programme of comprehensive spending reviews undertaken by the incumbent Government. These will be updated annually for consideration by the Executive, before submission to the full Council in accordance with the Budget and Policy Framework Procedure Rules. The full Council may amend the Budget or ask the Executive to reconsider it before approving it.
- B.6 The Executive is responsible for issuing the guidelines within which the Budget should be prepared.
- B.7 It is the responsibility of Chief Officers to prepare budget estimates reflecting agreed service plans for the Executive and that these estimates are prepared in line with the guidelines determined by the Executive in B6 above.

Capital programme and schemes

- B.8 The Executive Director - Resources is responsible for ensuring that the capital programme is updated annually for consideration by the Executive before submission to full Council for approval. The Director is also responsible for ensuring regular monitoring reports are received by the Executive and the Overview and Scrutiny Management Board in relation to the delivery of the capital programme.
- B.9 Scheme appraisals are required where a scheme is over £500k in value and forms part of the already approved capital programme. These will normally be approved by the relevant Executive Councillor with responsibility for financial matters, who may also refer significant schemes to the relevant Overview and Scrutiny Committee for pre-decision scrutiny.
- B.10 The Overview and Scrutiny Management Board will monitor the delivery and outcomes of the overall capital programme. The relevant Overview and Scrutiny Committee may also review or scrutinise specific schemes including the achievement of value for money and utilisation of best practice.

Budget monitoring and control

- B.11 The Executive Director - Resources is responsible for ensuring the provision of appropriate financial information to enable budgets to be monitored effectively. Chief Officers must monitor and control expenditure against budget allocations and report to the Executive and the Overview and Scrutiny Management Board on the overall position on a regular basis.
- B.12 It is the responsibility of Chief Officers to control income and expenditure within their area and to monitor performance, taking account of financial

information provided by the Executive Director - Resources. They should report on variances within their own areas in accordance with the Financial Management Procedure. They should also take any action necessary to avoid exceeding their budget allocation and alert the Executive Director - Resources to any potential or anticipated problems.

- B.13 Monitoring of capital schemes is in accordance with the terms of reference set for the Overview and Scrutiny Management Board in Article 6 of the Constitution.

APPROVAL OF BUDGET CHANGES

In year changes to Budget

- B.14 Save as set out in paragraphs B16 and B17 below, all changes to the Budget must be made by full Council save for urgent changes to which paragraph 6 of the Budget and Policy Framework Procedure Rules applies.

- B.15 Changes to the Budget which increase the Council's total expenditure and require either the use of the Council's general reserves or increased borrowing must be referred by the Executive Director - Resources to the Executive for consideration before being referred to the full Council for approval.

- B.16 Subject to B12 money can be reallocated between service headings in accordance with the following rules:

- reallocations of up to £250,000 may be approved by the relevant Chief Officer/s and should be notified to the Executive Director - Resources.
- reallocations of between £250,001-£500,000 shall be notified to the Executive Director - Resources by the relevant Chief Officer/s and such reallocations shall be referred to the relevant Executive Councillor/s for decision in consultation with the Executive Director - Resources and the relevant Chief Officer/s
- reallocations over £500,000 shall be notified to the Executive Director Resources and Community Safety by the relevant Chief Officer/s. Such changes shall be referred to the Executive for consideration and to the full Council for approval

- B.17 Approval given in accordance with the Constitution to the attraction of external funding for any initiative of the Council (either alone or in partnership with others) shall constitute approval for any budget changes necessary to account for the receipt of that funding and the relevant Chief Officer shall notify the Executive Director - Resources of any such funding to be received. Where the Council receives additional monies within any year to secure compliance with the law ministerial direction or mandatory government guidance any change to the budget necessary to account for the receipt of such monies may be approved by the Executive Director - Resources. Any other changes to the budget connected with any application for external funding or occasioned by the need to comply with any law ministerial direction or mandatory government

guidance must be approved in accordance with the foregoing provisions of this section.

Approval of carry forward

- B. 18 All under and overspendings on service revenue budgets of up to 1% will be carried forward without exception. The use of all under-spending on service budgets in excess of 1% will be considered by the Executive and decided by the full Council. The means of funding all overspendings on service budgets in excess of 1% will be considered by the Executive and decided by the full Council.
- B.19 All under and overspendings on the following budgets will be carried forward without exception
- All capital budgets;
 - The Dedicated Schools Budget;
 - All specific grants; and
 - Revenue budgets related to formally constituted shared services

FINANCIAL REGULATION C: RISK MANAGEMENT AND CONTROL OF RESOURCES

INTRODUCTION

- C.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

RISK MANAGEMENT

- C.2 The Audit Committee is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Executive is responsible for ensuring the proper management of risk.
- C.3 The Executive Director - Resources is responsible for preparing the risk management policy statement, for promoting it throughout the Council and for advising the Executive on the proper management of risk, for example, insurance cover where appropriate.

INTERNAL CONTROL

- C.4 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes

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economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

- C.5 The Executive Director - Resources 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.
- C.6 It is the responsibility of Chief Officers 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.

AUDIT REQUIREMENTS

- C.7 The Accounts and Audit Regulations 2011 require the Authority to maintain an adequate and effective internal audit service. The internal audit service should operate in conformance with the Public Sector Internal Audit Standards and CIPFA's local government application note relating to these standards.

There is a requirement for an external assessment to be carried out at least once every 5 years to assess conformance with the Public Sector Internal Audit Standards. The Audit Committee should oversee and review the outcome of the external assessment.

The nature, role, responsibilities and authority of Internal Audit for the Authority are set out in the 'Internal Audit Charter' and the associated Financial Procedure 7 — Audit and Inspection.

- C.8 The Audit Commission is responsible for appointing external auditors to each local Authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- C.9 The Council may, from time to time, be subject to audit, inspection or investigation by external regulators, inspectors or agents such as HM Customs and Excise and the Inland Revenue, who have statutory rights of access.

PREVENTING FRAUD AND CORRUPTION

- C.10 The Executive Director - Resources is responsible for the development and maintenance of a Counter Fraud Policy and Whistleblowing Policy — which should be endorsed and approved by the Audit Committee.

The Head of Paid Service is ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.

Chief Officers should ensure that they assess the risk of fraud, corruption and theft in their service areas and reduce these risks by implementing strong internal controls.

Chief Officers are responsible for reporting all suspected fraud or financial irregularity in their service areas to the Internal Audit function.

Public bodies, such as this Authority, are required to have a Whistleblowing policy and to ensure that employees are not victimised or dismissed for raising their concerns internally.

The Executive Director - Resources is responsible for overseeing the effectiveness of the Council's governance arrangements — this includes the Council's whistleblowing arrangements. The Internal Audit function is responsible for maintaining the whistleblowing reporting arrangements.

The Executive Audit Committee will scrutinise the effectiveness of the Authority's Counter Fraud and Whistleblowing arrangements.

ASSETS

- C.11 Chief Officers 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.
- C.12 Responsibility for disposal of unwanted and obsolete items rests jointly with the Executive Director - Resources and Chief Officers up to a value of £20,000 at the point of disposal and with individual Chief Officers below £5,000 at the point of disposal. Items above the specified limit require the approval of the relevant Executive Councillor. Disposals should be in accordance with Financial Procedures.
- C.13 The Executive Director - Commercial is responsible for the estate management, including all property acquisition and disposal, of the County Council and the overall objectives for this are contained in the Property Management Strategy held in the Executive Director - Commercial Office. Where such acquisition and disposal forms part of a wider project or initiative then that wider project or initiative will still require approval in accordance with the Constitution.
- C.14 For all acquisitions including lease or rent renewals the approval requirements at B9 of these regulations apply. (For rent or leases, costs should be calculated as the basic rent or lease multiplied by the term).
- C.15 The County Council may not lease property at less than full market rent without Secretary of State consent unless certain criteria are met. Approval for the grant of a lease at an undervalue must be obtained either through an appropriate resolution based on a report to the Executive Councillor or by the exercise of authority delegated for the purpose. Early advice must be sought

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from or via Corporate Property as to the full market rental value for inclusion in that report or delegated decision process, to demonstrate the scale of the benefit in kind embodied in a lower rent. Even where there is general consent from the Secretary of State issues may arise concerning state aid; therefore legal advice should be sought.

TREASURY AND INVESTMENT MANAGEMENT

C.16 Lincolnshire County Council adheres to the requirements of the CIPFA Code of Practice in Treasury Management in Public Services 2011 and in doing so has adopted the following clauses within these financial regulations.

C.17 The Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable treasury management practices (TMPs) setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

C.18 The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

C.19 The Executive Councillor for Finance will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual treasury management strategy and annual investment strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

C.20 The Council delegates responsibility for the approval and regular monitoring of its treasury management policies and practices to the Executive Councillor for Finance, and for the execution and administration of treasury management decisions to the Executive Director - Resources, who will act in accordance with the Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

C.21 The Council nominates the Overview and Scrutiny Management Board to be responsible for ensuring effective scrutiny of the treasury management strategy and policies, including the consideration of all reports as detailed in C.19 above and in addition, quarterly treasury monitoring reports.

C.22 The full Council is responsible for determining how Officer support for Executive and non-Executive roles within the Council will be structured and

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funded.

C.23 The Head of Paid Service is responsible for providing overall management to staff. They are also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job.

C.24 Chief Officers are responsible for controlling total staff numbers by:

providing the Executive with a forecast of the budget necessary in any given year to cover estimated staffing levels;

adjusting the staffing to a level that can be funded within approved budget provision;

varying the provision of service as necessary within that constraint in order to meet changing operational needs; and

the proper use of appointment procedures.

FINANCIAL REGULATION D: SYSTEMS AND PROCEDURES

INTRODUCTION

D.1 Sound systems and procedures are essential to an effective framework of accountability and control.

GENERAL

D.2 The Executive Director - Resources is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by Chief Officers to the existing financial systems or the establishment of new systems must be approved in advance by the Executive Director - Resources. However, Chief Officers are responsible for the proper operation of financial processes in their own directorates.

D.3 Any changes to agreed procedures by Chief Officers to meet their own specific service needs should be agreed in advance with the Executive Director - Resources.

D.4 Chief Officers should ensure that their staff receive relevant financial training that has been approved by the Executive Director - Resources.

D.5 Chief Officers must ensure that, where appropriate, computer and manual systems are registered in accordance with data protection legislation. Chief Officers must ensure that staff are aware of their responsibilities under freedom of information legislation.

INCOME AND EXPENDITURE

- D.6 It is the responsibility of Chief Officers to ensure that a proper scheme of authorisation has been established within their area and is operating effectively. The scheme of authorisation should identify staff authorised to act on the Chief Officer's behalf, or on behalf of the Executive, in respect of payments, income collection and placing orders, together with the limits of their authority. As part of its anti-money laundering procedures the Council will not accept any cash payments in excess of £1,000. The Executive is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.
- D.7 Responsibility for write off of bad debts rests jointly with the Executive Director - Resources and Chief Officers up to a value of £20,000 and with individual Chief Officers below £5,000. Items above the specified limit require the approval of the relevant Executive Councillor.

PAYMENTS TO EMPLOYEES AND MEMBERS

- D.8 The Executive Director - Resources is responsible for payment of remuneration to all staff and for payment of allowances to Councillors.

TAXATION

- D.9 The Executive Director - Resources is responsible for advising Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority.
- D.10 The Executive Director - Resources is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits, submitting tax returns by their due date as appropriate and maintaining dispensations from the tax office.

TRADING ACCOUNTS/BUSINESS UNITS

- D.11 It is the responsibility of the Executive Director - Resources to advise on the establishment and operation of trading accounts and business units, where appropriate.
- D.12 Where consideration is being given to the introduction of charges for discretionary services or to utilising a trading power the relevant Chief Officer must consult with the Executive Director - Resources and Chief Legal Officer on all aspects of the proposal (i.e. financial, legal and personnel related) prior to seeking approval from the Executive.

FINANCIAL REGULATION E: EXTERNAL ARRANGEMENTS

INTRODUCTION

- E.1 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It may also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- E.2 The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- E.3 The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- E.4 The Executive Director - Resources must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and that appropriate arrangements are in place for fulfilling any responsibilities of the Council in respect of any pooled fund arrangements or as lead authority or accountable body in respect of any external funding. They must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. They must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- E.5 Chief Officers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

EXTERNAL FUNDING

- E.6 The Executive Director - Resources is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

The External Funding Strategy covers the principles which the Council will apply to generating additional funding via making bids to the Government and other funding bodies and the proper processes for obtaining necessary approvals.

WORK FOR THIRD PARTIES

- E.7 The Executive is responsible for approving the contractual arrangements for any significant work for third parties or external bodies. For this purpose, significant is deemed to be contracted annual income from a body that is greater than £100,000. Approval will be made after appropriate professional (including but not restricted to legal advice) has been obtained.

FINANCIAL REGULATION F: REVISIONS AND AMENDMENTS

INFLATION

- F.1 Where in these regulations specific financial limits apply, the Executive Director - Resources shall review those limits at least triennially in the light of inflation and shall be authorised to vary them in the light of changes in their real value without further approval.

CONSTRUCTION AND INTERPRETATION

- F.2 The Financial Regulations shall be read and construed in conjunction with and in addition to the Contract Regulations of the Council and its Scheme of Delegation to Chief Officers.

APPENDIX A - FINANCIAL PROCEDURES OVERVIEW & INDEX

FINANCIAL PROCEDURES - AN OVERVIEW

Financial Procedures provide the detailed mechanism to underpin the principles enshrined in the Regulations.

The procedures are an integral part of the control framework and carry the same force as the regulations from which they emanate.

The Executive Director - Resources has responsibility for maintenance and review of these regulations.

Each regulation sets out:

- the area covered;
- the purpose of the procedure (why it is important);
- the key controls;
- responsibility of Statutory Officers;
- responsibility of Chief Officers;
- specific procedural requirements (where appropriate);
- contacts for assistance and advice.

FINANCIAL PROCEDURES

1. Financial Management
(Including policies and standards, system and records, virement, year end procedures and accounts)
2. Financial Planning (Revenue and Capital)
(Including budget management, . monitoring and control, reserves and balances)
3. Asset Management
(Including physical asset security, inventories, stores, disposals, intellectual property, data and information, retention and disposal of records, IT security)
4. Treasury Management
(Including Investments, bank accounts, imprests, cash management)
5. Procurement
(Including goods and services ordering, payment; leasing, staff and Member payments)
6. Risk Management
(Including Risk profiling and responsibility, counter fraud, insurance)
7. Audit and inspection
(Including provision of adequate audit, relationships with external audit and other inspection regimes)
8. External Service Arrangements
(Including partnership arrangements, external funding, provision of services to other bodies, other funds)
9. Accounting to statutory bodies
(Including VAT, CITDS, Income Tax and National Insurance)
10. Income control
(Including monitoring, receipting, banking)
11. Accounting
(Including accounting records, accounting policies, year end procedures, capital accounting)

These documents are available on the LCC website.