

Part 4.6 Financial Procedure Rules

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1 INTRODUCTION

1.1 PURPOSE OF THE FINANCIAL PROCEDURE RULES

- 1.1.1 The Financial Procedure Rules (FPR's) provide the framework for managing the financial affairs of the Council. These rules apply to all Members, officers, contractors and partners in the work they do for the Council.
- 1.1.2 The Executive Director of Corporate Resources, is the Chief Finance Officer, also known as the s151 Officer, and has statutory duties in relation to the financial administration and stewardship of the Council.
- 1.1.3 The Local Government Act 1972 (Section 151) makes the Chief Finance Officer ("CFO") responsible for the proper administration of the Council's financial affairs. These FPR's are issued in accordance with these responsibilities.
- 1.1.4 Slough Borough Council has been placed in the control of Commissioners appointed by the Department for Levelling Up Housing and Communities with effect from 1 December 2021. These Commissioners have taken on the responsibilities under s151 of the LGA 1972 for a period of up to 3 years.
- 1.1.5 The FPR's in this document form part of the Council's Constitution. The Constitution prescribes a framework to ensure:
- the effective management of the Council's activities
 - that high standards of integrity are exercised in the use of public funds.
- 1.1.6 The FPR's govern the way the Council undertakes financial forward planning, annual budget setting, budget monitoring and closing of the accounts.
- 1.1.7 The FPR's also govern the way day to day financial administration is conducted and financial controls are exercised.
- 1.1.8 The Scheme for Financing Schools, which follows the requirements of the School Standards and Framework Act 1998, governs School Governors, Headteachers and school staff of Maintained schools with delegated budgets. A local financial guide for schools supplements the Scheme for Financing Schools. In these cases, the FPR's do not apply. Each school is required to have a financial management policy and procedures document.
- 1.1.9 These procedures shall be reviewed regularly by the Chief Finance Officer but at least every three years. The Cabinet will recommend to Council for approval all amendments and summaries of changes resulting from the review.
- 1.1.10 The Chief Finance Officer is required to control and be responsible for the accounts and finances of the Council in every respect and ensure, as far as possible, that consistent financial systems operate throughout the entire operation of the Council.

1.2 ROLES AND RESPONSIBILITIES

1.2.1 All Directors (Executive Directors and Associate Directors to include the Chief Executive) of the Council have an obligation within their Directorates to promote and comply with the following:

- to formulate, allocate and manage capital and revenue budgets approved by Full Council.
- to be accountable for their Directorate's officers
- to ensure security, custody and control of all assets under their control including but not limited to:
 - Property, Plant and Equipment
 - Vehicles
 - Cash, stock and materials
 - Debtors and other receivables

Directors are responsible for maintaining the Council's system of controls, financial and otherwise. They are required to ensure the accuracy and integrity of financial information and other systems operating with their Directorates. This is to enable reasonable assurance to be provided to the Chief Finance Officer that the Council's financial regulations are being complied with.

1.2.2 Executive Directors (to include the Chief Executive) are responsible for ensuring that Lead Members are advised of the financial implications of all proposals.

1.2.3 Executive Directors (to include the Chief Executive) are responsible for keeping up to date any local and central finance systems and should provide the finance team with full access to any locally held financial records and systems.

1.2.4 Executive Directors (to include the Chief Executive) are responsible for maintaining an internal scheme of delegation, setting out delegation for financial decision-making.

1.2.5 Each Directorate will have a Strategic Finance Manager nominated by the Section 151 Officer to act as the finance representative for the respective Directorate. They are responsible for providing advice on financial matters to officers in each Directorate, ensuring a common understanding of requirements.

1.2.6 Executive Directors (to include the Chief Executive) will nominate Officers within their Directorates to act as budget holders. The primary responsibility of a budget holder is to administer the financial affairs of their allocated service area(s).

1.2.7 With regards to budgetary controls, budget holders will work with Strategic Finance Managers to:

- a. monitor transactions incurred or received against their budgets, forecast a full year position (monthly) and provide explanations for changes and variances against budget.
- b. ensure all accounts payable are settled within 30 days (unless separately agreed with the Section 151 Officer and other appropriate stakeholders)
- c. reconcile all cash received by their service on a monthly basis against bank account(s) and the relevant feeder system(s)

- d. ensure all monies due to the Council are recorded accurately and promptly recovered.
- e. identify commitments against their budgets for year-end accounting to recognise accruals and prepayments as required.
- f. reconcile their own records to the Council's financial information system on a regular basis and take corrective action promptly to deal with any problems that may arise.
- g. maintain and provide as requested robust, clear working papers and evidence for all transactions recognised against their budgets.
- h. comply with the guidance set out in these Regulations and any additional guidance issued by the Section 151 Officer.

1.2.8 Whilst budget holders will be responsible for much of the day-to-day operational responsibility, the Executive Directors (to include the Chief Executive) bear the ultimate responsibility for ensuring the proper management of the Council's resources within their Directorate including delivering the service within the agreed budget envelope; by taking appropriate action where an overspend seems likely; planning actions to ensure the budget is not exceeded and informing and agreeing remedial action with the s151 officer where exceeding the approved budget is looking likely.

1.2.9 All officers should be aware of these FPR's and relevant procedures for their directorate and team. If an officer is unclear about their authorisation or role, they should seek advice from their line manager or finance lead.

1.2.10 All officers (including temporary and agency staff and consultants) have a responsibility for use of the Council's assets and resources. These responsibilities are set out in the Local Code of Conduct for Employees. This includes a responsibility to report any concerns about financial irregularity, corruption or fraud to a line manager, finance lead, statutory officer or if needed, via the Council's whistleblowing procedure.

2. FINANCIAL PLANNING AND FINANCIAL MANAGEMENT

2.1 BUDGET STRATEGY

2.1.1 The Budget Strategy sets out the Council's proposed income and expenditure, both revenue and capital, and the level of council tax, for the following financial year, including the way in which corporate service priorities are considered, the level of balances and reserves, and the management of financial risks.

2.1.2 The Council's policies for the recovery of debt are separately approved by the Cabinet.

2.1.3 The Budget Strategy and Medium-Term Financial Strategy will normally be recommended by the Cabinet to Full Council for approval in the February preceding the start of each financial year.

2.2 MEDIUM TERM FINANCIAL STRATEGY

2.2.1 The Chief Finance Officer, in consultation with the Cabinet Member for Financial Oversight, Council Assets and Performance, will maintain a Medium-Term

Financial Strategy that covers a period of at least three financial years, including the current financial year.

- 2.2.2 The Medium-Term Financial Strategy will be produced and reported in conjunction with the annual budget, council tax and rent proposals to the Cabinet and Full Council before 11 March of the preceding financial year. Further updates on the Medium-Term Financial Strategy may be reported during the year.
- 2.2.3 The Financial Forward Plan will cover revenue and capital budgets and will highlight how resources are being re-directed to address Corporate Plan priorities.
- 2.2.4 In that the Medium-Term Financial Strategy spans a number of years; it is to be expected that figures in later years will often be preliminary estimates and/or aspirations of future decisions and changes in council policy.

2.3 ANNUAL BUDGET SETTING

- 2.3.1 The Council will publish a draft budget for consultation. Arrangements for budget consultation will be determined by the Council.
- 2.3.2 The Chief Finance Officer will set the council tax base for tax-setting purposes before 31 January of the preceding financial year and notify precepting and levying bodies of this figure by this date. The Chief Finance Officer will notify all Council Members via the Cabinet and Full Council.
- 2.3.3 The Cabinet will finalise its recommendations to Council on the revenue budget, council tax, capital programme and rent levels taking account of the results of budget consultation. This will normally be in February, following announcement of the Final Local Government Finance Settlement. Committees will work up proposals for consideration by the Cabinet in advance.
- 2.3.4 Cabinet's recommendations to Council must be made in time for Council to set the capital and revenue budget and council tax before 11 March of the preceding financial year.
- 2.3.5 The Chief Finance Officer shall advise the Council whether s/he is able to certify that the draft Budget contains robust estimates and reserves for the purpose of meeting the requirements of Section 25 of the Local Government Act 2003.

Fees and Charges

- 2.3.6 The budget recommended by Cabinet to Full Council will incorporate the latest projection of income from fees and charges. Full Council will approve all fees and charges as part of the budget report. All fees and charges are approved by Full Council as part of the budget setting process. Changes to fees and charges should be included in the budget proposals submitted as part of the budget setting process. The Cabinet reviews all fees and charges which then form part of the budget. There are delegated powers in place for Cabinet to make in-year changes to fees and charges under the scheme of delegation.

Capital Programme and Budget

2.3.7 The Capital Programme has been developed following these principles:

- To maintain an affordable five-year rolling capital programme.
- To ensure capital resources are aligned with the Council's strategic vision and corporate priorities.
- To undertake prudential borrowing only where there are sufficient monies to meet, in full, the implications of capital expenditure, both borrowing and running costs.
- To maximise available resources by actively seeking appropriate external funding and disposal of surplus assets.

Alternative Budget Motions

2.3.8 Any Member proposing to put forward to Council any amendment to the draft Budget or any alternative Budget should provide a copy of initial amendments to the Chief Finance Officer and Monitoring Officer as soon as possible and at least 10 clear working days before the Council meeting. These initial amendments should be validated and clearly laid out including all supporting assumptions. Final completed budget amendments in a format that can be presented to Council should be submitted to the Chief Finance Officer and Monitoring Officer at least 5 clear working days in advance of the Council meeting so that s/he may advise Council whether the resulting amended or alternative budget would provide robust estimates and reserves for the purpose of section 25 of the Local Government Act 2003.

2.4 BUDGET MANAGEMENT & MONITORING

2.4.1 Making changes to the budget

A virement is the transfer of budget from one specific area to another. This can either be a transfer within revenue budgets or capital budgets but not between revenue and capital.

2.4.2 The virement scheme is intended to enable the Executive Directors (to include the Chief Executive) and their officers to manage budgets with a degree of flexibility within the overall framework determined by the Council, and therefore optimise the use of resources.

2.4.3 Amendments to the revenue budget can only be made with approval as per the scheme of virement table below:

virements for allocation from contingency for amounts up to and including £500,000 must be approved by the Chief Finance Officer
virements for allocation from contingency for amounts over £500,000 must be approved by the Cabinet

virements within a service in a Directorate that do not alter the approved bottom line are approved by the Executive Director (to include the Chief Executive) of that Directorate and consulted on with Lead Members.
virements between services within the same Directorate (excluding contingency allocations) must be approved by the relevant Executive Director of that Directorate and Lead Member.
virements between different Directorates (excluding contingency allocations) up to £50,000 must be approved by the relevant Executive Directors (to include the Chief Executive) of both Directorates and subject to consultation with Lead Members.
virements between different Directorates (excluding contingency allocations) over £50,000 and up to and including £500,000 must be approved by the relevant Executive Directors (to include the Chief Executive) and Chief Finance Officer in consultation with the Cabinet Member for Financial Oversight, Assets and Performance and subject to consultation with Lead members
Virements between different Directorates (excluding contingency allocations) over £500,000 must be approved by Cabinet.
Revenue budget virements between approved budget heads of expenditure and /or income in excess of £500,000 in any one case or in aggregate in any year or approval of funds from reserves or from windfall receipts must be considered and approved by Cabinet.

1.4.5 No revenue virement is allowed between the following budgets without approval of the Chief Finance Officer:

- Financing charges,
- Rates and other taxes,
- Recharges and Insurances
- Reserves and contingencies
- HRA / General Fund.

2.4.6 Amendments to the capital budget can only be made with approval as per the table below:

Capital Virements
Cabinet approval is required for all capital budget and funding virements and yearly profile changes (slippage or accelerated spend) between approved capital programmes i.e., as per the budget book. The report must show the proposed: <ul style="list-style-type: none"> (i) Budget transfers between projects and by year. (ii) Funding transfers between projects and by year; and (iii) A summary based on a template approved by the Chief Finance Officer
The Chief Finance Officer can approve virements of capital monies up to £1m under delegated responsibilities but these must be reported to Cabinet on a quarterly basis.
Cabinet approval is required for all capital additions to the capital programme. All Capital additions are reviewed by senior officers prior to being recommended for approval to Cabinet. Capital additions should also be included in the quarterly budget monitoring report to Project Review Board for noting.

Funding substitutions in order to maximise funding are the responsibility of the Chief Finance Officer.
Cabinet can approve spend on new capital projects up to £5m where expenditure is covered by external grant, is in accordance with the Council's treasury management strategy, has no full year revenue implications and does not exceed £20m in total in any one year
The Chief Executive can approve virements between projects of up to £1m following consultation with the Chief Finance Officer and the Lead Member
The Chief Finance Officer can approve virements between projects of up to £500k following consultation with the Lead member
Executive Directors can approve virements between projects of up to £250k following consultation with the Chief Finance Officer and the Lead Member.

Budget Monitoring

- 2.4.7 Executive Directors (to include the Chief Executive) are required to notify the Chief Finance Officer of all underspends, over-recovery of income or windfall benefits arising within their revenue and capital budgets. Where these occur, they should in the first instance be transferred to the contingency budget unless regulations specify restrictions on their use which make this inappropriate or the under spend, additional income or other financial benefits are to be used to offset uncontrollable overspends elsewhere within the service. The Executive Directors (to include the Chief Executive) are responsible for notifying the Chief Finance Officer that this is to occur. Approval to these budget variations will be in line with the scheme of virement.

Budget Monitoring – Revenue

- 2.4.8 Executive Directors (to include the Chief Executive) should ensure that their revenue cost centre managers do not enter into commitments before satisfying themselves there is sufficient approved budget provision. Executive Directors (to include the Chief Executive) have no authority to overspend revenue budgets, or under-recover income budgets under their control, and are responsible for monitoring their budgets to ensure this situation does not arise.
- 2.4.9 It is the responsibility of Executive Directors (to include the Chief Executive) to notify the Chief Finance Officer of forecast revenue budget or capital project overspends regardless of whether offsetting savings or additional income have been identified.

Budget Monitoring – Capital

- 2.4.10 Forecast overspends on approved capital projects must be communicated through the Chief Finance Officer to the Cabinet as soon as possible with options for offsetting the forecast overspend.

Central Contingency

- 2.4.11 The Chief Finance Officer will determine which budget risks and uncertainties are to be held within the central contingency.
- 2.4.12 Allocations from the central contingency relating to planned developments will be approved by the Chief Finance Officer, following the receipt from an Executive Director (to include the Chief Executive) of a fully costed proposal to incur expenditure that is in line with planned development (including full year effect). Where there is a significant increase in the full year effect (over £250,000), the contingency allocation must be approved by the Cabinet.
- 2.4.13 Allocations from the central contingency for unplanned expenditure, including proposals to utilise underspends previously generated within the service and returned to central contingency, will be approved by the Chief Finance Officer. Where there are competing bids for use of under spends, additional income or windfalls previously returned to central contingency, an assessment of priority will be undertaken by the Chief Finance Officer to determine allocation of the funds. Allocations for unplanned expenditure over £500,000 must be approved by Cabinet.

Balances and Reserves

- 2.4.14 Allocation to and from the balances and reserves will be the responsibility of the Chief Finance Officer in line with the principles that Full Council have agreed.
- 2.4.15 Any significant change in the planned use of a reserve greater than £500k must be approved by the Cabinet.

Budget Monitoring – reporting

- 2.4.16 The Chief Finance Officer will report in detail to Cabinet at the end of each quarter as a minimum, on the revenue and capital budgets and wider financial standing and will make recommendations for varying the approved budget (revenue and capital) where necessary.

2.4.17 Full Year Effects

In preparing any estimates of expenditure and income, Executive Directors (to include the Chief Executive) and Assistant Directors must give proper consideration to full year effects.

2.4.18 Annual Governance Statement

Executive Directors (to include the Chief Executive) must support the work on corporate risk management contributing to the production of the Annual Governance Statement that has to be published alongside the Statement of Accounts.

2.4.19 Partnership Working

Before entering into a partnership with another organisation that involves pooling some of the Council's revenue and/or capital budgets, the Executive Directors (to

include the Chief Executive) in consultation with the Chief Finance Officer and after approval by Lead Member(s) must ensure that adequate financial controls are in place. A financial risk assessment must also be prepared and monitored over time.

The Chief Finance Officer should maintain a register of all such partnership arrangements and the authorised signatories for approving expenditure.

2.4.20 Authorisation of Non-Budgeted Expenditure (Emergency Payments)

2.4.21 Emergency payments may arise as a consequence of unforeseen circumstances (e.g.as a consequence of a natural disaster, a civil emergency or a court order etc.) where budget provision has not been made and the payment cannot be covered within the relevant service's existing budget.

2.4.22 Emergency payments greater than £50k can only be made by decision of the Executive Directors (to include the Chief Executive) in line with guidance issued by the Chief Finance Officer. All such emergency payments should be reported to the next meeting of the Cabinet.

2.5 CLOSING OF ACCOUNTS & STATEMENT OF ACCOUNTS

2.5.1 The Chief Finance Officer is responsible for making arrangements for closing the Council's accounts and producing the annual Statement of Accounts, as well as all matters relating to their audit and public inspection.

2.5.2 Executive Directors (to include the Chief Executive) are responsible for ensuring that staff adhere to the timetable and requirements set out by the Chief Finance Officer for the closing of accounts, and provide any information and evidence required in relation to this.

2.5.3 In accordance with International Standard on Auditing (ISA) 260, the external auditor is required to issue detailed reports to those charged with governance on matters arising from the audit of the Council's accounts. There is also an Annual Audit Letter which includes the external auditor's report and opinion on the audit of the accounts, as well as a conclusion on the Council's arrangements for providing Value for Money. These reports will be considered by the Audit and Corporate Governance Committee as part of the completion of the annual audit of the financial statements.

2.6 TREASURY MANAGEMENT FRAMEWORK

2.6.1 Cabinet will approve and maintain a Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities based upon the relevant CIPFA Codes.

2.6.2 The Cabinet will receive reports on its treasury management policies, practices and activities. These reports will incorporate the prudential borrowing limits and performance indicators. Cabinet will receive an annual strategy and plan in advance of the year, and an annual report after its close in the form prescribed in the Treasury Management Practices.

- 2.6.3 The Chief Finance Officer has the delegated authority to undertake all borrowing on behalf of the Council in line with the Treasury Management Strategy agreed by the Council each year and will report all activity to Lead Members on a quarterly basis and on at least an annual basis to the Cabinet.

3. FINANCIAL ADMINISTRATION, SYSTEMS AND PROCEDURES

3.1 ACCOUNTING

- 3.1.1 All accounting arrangements across the Council shall be in a manner approved by the Chief Finance Officer, taking into account best practice guidance issued by relevant external bodies, such as CIPFA and national guidance.
- 3.1.2 There must be adequate separation of duties to ensure that no one officer is able to handle any financial transaction from start to finish without there being some mechanism for independent checking. By finish is meant the completion of the accounting for the transaction.
- 3.1.3 All accounting should occur on the Council's Accounting System and any exceptions must be specifically authorised by the Chief Finance Officer.

3.2 BANKING ARRANGEMENTS

- 3.2.1 The Chief Finance Officer must approve all banking and card acquiring arrangements across the Council and must be satisfied with the safe keeping of all controlled banking stationery.
- 3.2.2 The Chief Finance Officer will maintain a register of all bank and card acquiring contracts.
- 3.2. The Chief Finance Officer will be responsible for ensuring that the Council's banking arrangements are reviewed on a regular basis and that the banking contract is reviewed every three years.
- 3.2.5 Chief Officers are responsible for ensuring that the any staff in their areas that use the Procurement Cards adhere to the requirements of the SBC Purchasing Card Guide and Terms and Conditions.

3.3 ASSETS

- 3.3.1 Executive Directors (to include the Chief Executive) are responsible for the proper security of all buildings, stocks, furniture, equipment and cash etc. within their service. The Chief Executive shall exercise a co-ordinating role on security issues and shall be consulted where it is felt that security is inadequate or in special circumstances.
- 3.3.2 Maximum limits for cash holdings (imprest accounts) shall be set by the Chief Finance Officer, which may not be exceeded without prior authority. Areas where

cash is counted and held must be secure and with access restricted only to authorised staff.

3.3.3 Executive Directors (to include the Chief Executive) are responsible for the sale or disposal of non-property/land assets employed in their service, and for accounting for these transactions. All disposals are to be reported to the Chief Finance Officer on a quarterly basis. All property or land sales and purchases are to be managed in accordance with disposal and acquisition strategies. Certain land transactions are reserved to Cabinet as set out in the Part 3.5 of the Constitution – Responsibility for Executive Functions.

3.3.4 Executive Directors (to include the Chief Executive) are responsible for implementing a system for the maintenance of stocks and stores including regular stock checks and write offs when required.

3.4 IMPREST ACCOUNTS

3.4.1 The Chief Finance Officer must authorise all imprest accounts and the imprest account holder must comply with the rules set by the Chief Finance Officer.

3.5 INCOME

3.5.1 The Council will usually charge for all services, where allowable, and have charging policies in place.

3.5.2 Officers should encourage payment in advance or at point of service delivery wherever possible as per the Council's Debt Management Policies and minimise the amount of credit given to customers.

3.5.3 All records relating to income due to the Council, accounts raised, and receipts issued shall be in a format agreed by the Chief Finance Officer.

3.5.4 Officers responsible for controlled stationery must keep it secure. Methods of payment must be agreed by the Chief Finance Officer.

3.5.5 The Chief Finance Officer, or officer nominated by the Chief Finance Officer, may authorise payment by instalments if full payment cannot be obtained immediately, in accordance with the Debt Management Policy.

3.5.6 Officers receiving monies shall keep an accurate and chronological account of all receipts and banking.

3.5.7 Monies received must be banked on the day of receipt wherever possible, and not later than the next working day. All amounts paid in must be referenced to enable subsequent identification of the accounts to which they relate. All cheques, postal orders etc. shall be crossed with the crossing stamp provided.

3.5.8 No deductions may be made from monies received.

3.5.9 Executive Directors (to include the Chief Executive) must notify the Chief Finance Officer of all monies due to the Council under contracts, leases or other agreements and the cessation of use or change of user affecting this income.

3.5.10 Invoicing & Debt Recovery

3.5.11 Officers responsible for raising invoices must ensure that VAT has been properly accounted for.

3.5.12 The Council's Debt Management Policies, should be subject to regular review and approved by Cabinet every three years, and set out the Council's policy and procedures in relation to the billing, collection and recovery of monies owed to the Council and is to be adopted across all services within Slough Borough Council.

3.6 INSURANCE

3.6.1 The Chief Finance Officer is responsible for maintaining the Insurance Strategy arranging adequate insurance cover for the Council and keeping comprehensive records of all risks covered and will report any changes to Cabinet.

3.6.2 Executive Directors (to include the Chief Executive) must notify the Chief Finance Officer immediately of all new areas of risk and of any change of circumstances likely to affect existing insurance risks.

3.6.3 Any incident which could give rise to an insurance claim must be promptly notified to the Chief Finance Officer by the relevant officer, who shall also inform the Police if appropriate.

3.6.4 The Chief Finance Officer will handle all insurance claims, in conjunction with the insurance company if proceedings are issued.

3.6.5 Officers must obtain advice from the Chief Finance Officer, Monitoring Officer and Insurance officer as appropriate in relation to granting any indemnity.

3.6.6 Officers in receipt of a motor vehicle allowance must produce registration documents, insurance policy, certificate of insurance and test certificate if required by the Chief Finance Officer. Insurance policies must be comprehensive and cover use on official business.

3.7 INVESTMENTS, BORROWING, CAPITAL FINANCING & TRUST ACCOUNTS

3.7.1 The Chief Finance Officer shall ensure that the Council's money is properly managed and controlled in a way which balances risk with return but with the overriding consideration being given to the security and liquidity of the Council's investment.

3.7.2 All investments, except bearer securities, controlled by the Council shall be registered in the Council's name or in the name of nominees approved at a Cabinet.

3.7.3 All securities shall be held securely by the Council's bankers, or custodians approved by the Cabinet.

- 3.7.4 The Chief Finance Officer shall ensure that all borrowing is registered in the name of the Council. The Chief Finance Officer is responsible for trust funds and ensuring that funds are only drawn down for the purposes intended as set out in the Trust deed and that accounts are prepared and audited each year. Any trust funds must be separately identified and accounted for, but otherwise should be managed in accordance with these procedural rules
- 3.7.5 The Chief Finance Officer will also provide regular monitoring reports to Cabinet and report any breaches or amendments of the Prudential Code to Council.

3.8 ORDERING OF SUPPLIES, WORKS & SERVICES

3.8.1 All contracts are subject to the Contract Procedure Rules and Executive Directors (to include the Chief Executive) must have systems in place to ensure that only authorised officers are allowed to place purchase orders, and that purchase orders are only raised when there is sufficient budget available. As a result of the section 114 notice all payments over £500 are required to be approved by the Expenditure Control Panel.

3.8.2 **Creation of a purchase Order (PO):** Once the purchase has been agreed, a purchase order must be raised on the council's accounting system.

Payment of an invoice: Authorised officers must ensure that a purchase order has been raised on the accounting system and successfully communicated to the supplier. Invoices in respect to works, supplies and services will be paid by the Central Accounts Payable Team, but only after the authorising officer has, where necessary, first receipted the supply on the accounting system.

3.8.3 All invoices must reference a valid purchase order number, otherwise the Central Accounts Payable Team reserves the right to refuse payment of an invoice.

3.8.4 To enable the Council to comply with the Late Payment of Commercial Debts Regulations, no amended invoices will be accepted and a new invoice with a revised date will be required.

3.8.5 The Central Accounts Payable Team will perform a three-way match against the purchase order, goods receipt and invoice, prior to making a payment. Invoices from trusted suppliers, (as advised by the Corporate Commercial Team) will only require a two-way match. Invoices that do not pass these criteria will be returned to the service for amendment.

3.8.6 **Payments in advance:** Payments in advance should be the exception rather than the norm. Executive Directors (to include the Chief Executive) prior to authorising payments in advance, must undertake a risk assessment of the supplier or service provider defaulting. All payments in advance must be notified to the Chief Finance Officer for approval before payment.

3.9 TAXATION

- 3.9.1 The Chief Finance Officer is responsible for ensuring compliance with all relevant taxation regulations and guidance that affect the Council either directly, as a consequence its own activities, or indirectly, as a consequence of service delivery through external partners.

3.10 AMENITY & UNOFFICIAL FUNDS

- 3.10.1 Amenity or Unofficial Fund relates to all sums of money other than those which are required to be paid into the Council's General Bank Account (or such other account so authorised by the Chief Finance Officer) or Trust Fund monies outside the authority of the Council.
- 3.10.2 All accounts can only be opened by the Chief Finance Officer and their names shall include the name of Slough Borough Council and the establishment concerned. There is no exception to this rule.
- 3.10.3 Provided the Chief Finance Officer approves and is satisfied with accounting and security arrangements, separate accounts need not be opened for funds of small amounts.

4 RISK MANAGEMENT AND CONTROL OF RESOURCES

4.1 RISK MANAGEMENT

- 4.1.1 The Cabinet and Audit and Corporate Governance Committee are responsible for approving the Council's risk management framework and for reviewing the effectiveness of risk management. Individual services are responsible for ensuring the proper management of risk.
- 4.1.2 The Chief Finance Officer is responsible for
- a. Preparing and promoting the Council's Risk Management Strategy
 - b. Developing risk management controls in conjunction with other Executive Directors
 - c. Reporting to Members of the Audit and Corporate Governance Committee on the effectiveness of the risk management process and any changes to it in the Annual Governance Statement.
- 4.1.3 Executive Directors and their officers are responsible for the identification of risk and the associated mitigating actions to reduce that risk in their service areas, and the implementation of the mitigating actions

4.2 INTERNAL CONTROL

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

- 4.2.2 The Chief Finance Officer 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.
- 4.2.3 It is the responsibility of Executive Directors (to include the Chief Executive) 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. The Executive Directors are responsible for the implementation and maintenance of sound systems of internal control in their service areas
- 4.2.4 The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.
- 4.2.5 Slough expects all members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.2.6 Slough also expects that individuals and organisations (e.g., suppliers, contractors and service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.
- 4.2.7 The Chief Finance Officer is responsible for developing and maintaining the Council's Anti-Fraud and Corruption Policy which is available at Part 5 of the Constitution, and they must ensure that, where appropriate, suspected irregularities are reported to the Head of Internal Audit, the Chief Executive, the Monitoring Officer, the Corporate Leadership Team and the Audit and Corporate Governance Committee.
- 4.2.8 All officers are responsible for ensuring that all suspected irregularities are reported in accordance with the Council's Anti-Fraud and Corruption Policy and its Confidential Whistleblowing Code. Executive Directors (including the Chief Executive) are responsible for ensuring that there is an appropriate investigation and disciplinary action in the event of evidence of improper behaviour.
- 4.2.9 Executive Directors (to include the Chief Executive) are responsible for maintaining a register of interests.

4.3 INTERNAL AUDIT

- 4.3.1 Under the Accounts and Audit Regulations 2015 the Council has a statutory obligation to have an adequate and effective system of internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 4.3.2 Internal Audit is an assurance function that provides 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by

bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- 4.3.3 Internal Audit has unrestricted access to all information (including records, computer files, databases, systems, property and personnel) across any service and/or activities undertaken by the Council, or partners on the behalf of the Council where council information is held in order to review, appraise and report as may be necessary.
- 4.3.4 The Chief Finance Officer shall:
- a. Ensure that an Internal Audit function is maintained by the Council and that they comply with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.
 - b. Approve the strategic and annual audit plans prepared by internal audit, which take into account the characteristics and relevant risks of the activities involved.
 - c. Ensure that internal auditors have direct access to all assets, records, documents, correspondence and control systems.
- 4.3.5 The Head of Internal Audit has direct access to all Managers and other Officers and to elected members. They will report on internal control no less frequently than annually in line with the Accounts and Audit Regulations (2015).
- 4.3.6 Executive Directors (to include the Chief Executive) and all other Officers are responsible for:
- a. Ensuring that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purpose of their work.
 - b. Ensuring that auditors are provided with any information and explanations that they seek in the course of their work.
 - c. Considering and responding promptly to recommendations in audit reports and ensuring that any agreed actions arising from those recommendations are carried out in a timely and efficient manner.
 - d. Notifying the Head of Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources; and taking all necessary steps to prevent further loss pending investigation and reporting.

4.4 EXTERNAL AUDIT

- 4.4.1 Public Sector Audit Appointments Limited is responsible for appointing external auditors to each local authority. The duties of the external auditor are governed by Local Audit and Accountability Act 2014. Their work will assess the Council's:

- a. Financial arrangements in respect of corporate governance
- b. Statement of Accounts and Whole of Government Account return
- c. Arrangements for the use of resources in terms of ensuring economy, efficiency and effectiveness

In addition, the Council is required to make arrangements for the

- d. Certification of various grant claims as specified by Government Departments e.g., Housing Benefit Subsidy.

- 4.4.2. The Chief Finance Officer will be responsible for preparing and publishing the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Council, or its delegated committee, to approve the statement of accounts within a timescale determined by legislation.
- 4.4.3. The Chief Finance Officer shall be responsible for the submission of the Council's accounts to the external auditor in accordance with the requirements of the Local Audit and Accountability Act (2014) and the Accounts and Audit (Amendment) Regulations 2021.
- 4.4.4. The Chief Finance Officer shall work with the external auditor and advise Council, Audit and Corporate Governance Committee and Executive Directors (to include the Chief Executive) on their responsibilities in relation to external audit. Similarly, the Council may be subject to audit, inspection or investigation by other external bodies such as the Department for Levelling Up, Communities and Housing (DLUCH) and HM Revenue and Customs, who have statutory rights of access.
- 4.4.5. All Council officers have a collective responsibility to:
 - a. Ensure that the appointed auditors and other external bodies with statutory rights of access are provided with all documents and records for the purposes of their work and are afforded all facilities, co-operation and explanation as necessary.
 - b. Cooperate in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.
 - c. Implement audit recommendations within agreed timescales.

5. TRADING ACCOUNTS

- 5.1 It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts and business units, where appropriate.
- 5.2 The Executive Directors (to include the Chief Executive) must observe all statutory requirements in relation to trading accounts, including the maintenance of a separate revenue account to include all relevant income and expenditure, including overhead charged and an annual report in support of the final accounts.

5.3 The Executive Directors (to include the Chief Executive) must ensure that the same accounting principles are applied in relation to trading accounts as for other service units.

6. EXTERNAL ARRANGEMENTS

6.1 PARTNERSHIPS

6.1.1 Partnerships include any arrangements where the Council agrees to undertake, part fund or participate in a project with other bodies; either as a beneficiary of the project, or because the nature or status of the project gives the Council a right or obligation to support it. Where the Council is simply providing funding without assuming any obligation or risk relating to delivery of the project, this is not a partnership.

6.1.2 It is important to understand and distinguish between a partnership in this context and a supplier who the Council may refer to as a 'partner' due to the status that the Council has contractually awarded to it. Irrespective of the title applied to it, this latter type of partnership is a supplier relationship, which will be entered into in accordance with, and governed by, the Council's Procurement Policy and Contract Procedure Procedures.

6.1.3 Executive Directors (to include the Chief Executive) are responsible for ensuring that appropriate work is undertaken, and approvals are obtained in line with Contract Procedure Rules before any negotiations are concluded in relation to work with external bodies.

6.1.4 The approval of both the Chief Finance Officer and the Monitoring Officer must be obtained prior to the Council entering into any formal partnership agreement. The approval of the Chief Finance Officer must also be obtained where it is proposed that the Council adopts the role of 'Accountable Body' for a partnership.

6.1.5 A written partnership agreement must be produced that clearly establishes the responsibilities of the respective partners for managing the arrangement and the resources made available to the partnership. The document must also set out the arrangements in respect of unspent funding at each year end, unless this is to be returned to the Council as unspent money, and for addressing any overspend.

Delegation of budget to a partnership

6.1.6 The delegation of budget to a partnership (whether or not the arrangement is binding on the parties), where the Council's share of the money is normally spent in accordance with the wishes of a group of individuals or organisations, is subject to approval as follows:

Limit	Responsibility
Up to £500k	Executive Directors (or named equivalent) following consultation with the Finance Officer.

Over £500k and up to £1m	Chief Executive Officer or Chief Finance Officer following consultation with the Leader of the Council and Lead Member(s).
More than £1m	Cabinet following consultation with all of the above.

6.1.7 Where the Council is the ‘accountable body’ for a partnership, these Financial Procedure Rules apply to decisions relating to the expending of that money. All expenditure must be authorised by an appropriate Slough Borough Council officer, or by someone else who has a statutory power to authorise expenditure.

6.2 EXTERNAL FUNDING

6.2.1 External funding covers bids to Government and other organisations that are offering funding for projects that meet certain criteria. It also covers contributions being sought from participating organisations and individuals, from either public or private sources.

6.2.2 The Chief Finance Officer and Executive Directors (to include the Chief Executive) are responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council’s accounts.

6.2.3 Executive Directors (to include the Chief Executive) must provide the Chief Finance Officer with details of all bids for external funding. Bids will follow the requirements of the Council’s investment appraisal process.

6.2.4 Executive Directors (to include the Chief Executive) must not commit expenditure on projects requiring matched funding contributions until the external funding has been confirmed and approved by Cabinet.

6.2.5 Executive Directors (to include the Chief Executive) must advise the Chief Finance Officer of all grant and subsidy notifications as soon as they are received. Where the amount notified is greater than the budget, the excess will be deemed a windfall and should in the first instance be returned to the central contingency unless regulations specify restrictions on their use which make this inappropriate or the underspend, additional income or windfall is to be used to offset uncontrollable overspends elsewhere within the service. Where the amount notified is less than the budget, the Executive Directors (to include the Chief Executive) or Head of Service must notify the Chief Finance Officer of options for containing any potential overspend.

6.3 WORK FOR THIRD PARTIES

6.3.1 Work can only be undertaken for third parties where the Council has the legal powers to undertake the work.

6.3.2 With regard to the financial aspects of third-party contracts, Executive Directors (to include the Chief Executive) will:

- (i) Comply with any guidance issued by the Chief Finance Officer and will ensure that the appropriate insurance arrangements are made.
- (ii) Ensure that all costs arising from the provision of services to a third party are recovered and hence that there is no subsidy included within the contract.
- (iii) Ensure that the Council is not unnecessarily exposed to the risk of bad debts or other associated liabilities.

6.3.3 A written agreement must be put in place between the Council and the third party, which details the services to be provided, over what period and at what price; this will be signed by both parties to the agreement. Executive Directors (to include the Chief Executive) will provide information on the contractual arrangements to the Chief Finance Officer in order that the appropriate disclosures can be made within the Council's annual statement of accounts.

6.3.4 Cabinet are responsible for monitoring the contractual arrangements for any significant work for third parties or external bodies in line with the Contract Procedure Rules. For this purpose, significant is deemed to be contracted annual income from a body that is greater than £180,000.

6.4 ALTERNATIVE DELIVERY MODELS

6.4.1 Services may be commissioned from retained services within the Council or via alternative delivery models. There are various types of alternative delivery model, including, but not limited to:

- (i) Local Authority Controlled Companies
- (ii) Joint Ventures - set up as separate corporate entities joining two or more parties for the purpose of executing a business undertaking.
- (iii) Charitable incorporated organisation - a corporate entity which is regulated by the Charities Commission
- (iv) Social Enterprises - businesses trading for social and environmental purposes.
- (v) Outsourcing – a contractual arrangement between the Council and a private provider for the delivery of an agreed service.
- (vi) Social Impact Bonds – contract to achieve agreed social outcomes through a programme of interventions delivered by a number of service providers.
- (vii) Joint Committee – joint bodies set up, by agreement, to discharge or carry out activities in conjunction with others.
- (viii) Unincorporated association
- (ix) Inter authority arrangements

6.4.2 Any proposal to commission services via an alternative delivery vehicle must be developed through the Council's business case governance framework and using

the business case template, to ensure that there is a robust planning and decision-making process in place.

- 6.4.3 Executive Directors (to include the Chief Executive) are responsible for ensuring that Cabinet approval is obtained before any contract negotiations and/or financial transactions are entered into, and that all agreements and arrangements are properly documented.
- 6.4.4 Executive Directors (to include the Chief Executive) are responsible for ensuring that Cabinet approval is obtained before the closure or termination of any alternative delivery model agreements and arrangements and that these are properly documented.

7. TRANSPARENCY

- 7.1.1 To provide transparency in its stewardship of public funds the Council makes information available to the public in relation to its spending, regardless of value. Monthly payment transactions made via purchase card, employee expenses and accounts payable are available to download via the Council's data portal. This brings together all our published datasets and other information of interest on one searchable database for anyone, anywhere to access. <http://slough.gov.uk/>