

# **PART 4 - PROCEDURAL RULES**

## **SECTION H**

### **FINANCIAL REGULATIONS**

#### **1. INTRODUCTION**

- 1.1 Financial Regulations are the basic rules applicable to key areas of financial administration. They must be available to and followed by all officers/employees, Members and agents acting for the Council. Together with the Procedure Rules, they regulate the conduct of Council business.
- 1.2 Financial Regulations form part of the Council's Constitution which is published on the Council's Website. This can be accessed through the A-Z facility of e-Scene (C for Constitution). Hard copies are provided to senior managers and officers who need to work with them regularly. A Glossary of Terms is attached at the end to explain the terminology used in these Financial Regulations.
- 1.3 The Section 151 Officer is responsible for maintaining Financial Regulations, which must be reviewed at least every 5 years. Financial limits detailed in Financial Regulations and Standing Orders should be reviewed at least every 2 years.
- 1.4 It is the responsibility of the Chief Executive, and senior managers to ensure Financial Regulations are followed. Failure to follow Financial Regulations and Standing Orders will be reported immediately to the Section 151 Officer and may be treated as a disciplinary offence. If serious, it will also be reported to the Leader/Executive. Failure by the Chief Executive or senior managers will be reported to the Council if considered appropriate by the Chief Executive or Monitoring Officer.
- 1.5 Financial Regulations also apply to agents and consultants acting for the Council and to services carried out under agency arrangement, unless specifically exempted by the relevant Executive Head of Service or Head of Service with the agreement of the Section 151 Officer. In this event, the circumstances of and reasons for such an exception must be recorded by the relevant Executive Head of Service or Head of Service.
- 1.6 Any transfer of work from one service to another must consider issues of compliance and accountability. For example in respect of a transfer of service in to the Contact Centre, it may be reasonable to assume that management issues are the responsibility of the Contact Centre, operational issues are the responsibility of the client service and quality control is the joint responsibility of both. Early clarification and agreement will help to reduce the risk of any problems escalating or remaining unresolved.

#### **2. FINANCIAL ADMINISTRATION**

- 2.1 The Executive Head of Finance is responsible, under Section 151 of the Local Government Act 1972, for the proper administration of the financial affairs of the

Council. The Section 151 Officer is also responsible for ensuring compliance with current Accounts and Audit Regulations and Accounting Code of Practice.

- 2.2 The Chief Executive and senior managers must ensure all staff fully understand how Financial Regulations relate to and affect their particular responsibilities. The Leader/Executive and all committees must also comply with Financial Regulations in their business.
- 2.3 In exceptional circumstances, the Leader/Executive may waive compliance with any of these Regulations provided the circumstances are reported to the next meeting of the Council. The Regulations may also be overridden by relevant statutory provisions. For example, in a sudden emergency or event as detailed in s138 of the Local Government Act 1972, the Leader/Executive may spend to meet immediate needs without complying with these Regulations.
- 2.4 Executive Heads of Service or Heads of Service must operate systems that ensure compliance with Financial Regulations and Standing Orders within their respective services. Advice and support on system controls is available from the Executive Head of Finance and Internal Audit.

#### Reports with Financial Implications

- 2.5 Before any new commitments are undertaken, the Chief Executive, or senior manager must consult the Section 151 Officer on possible financial implications for the Council before any reports are sent to the Leader/Executive. All reports submitted to the Leader/Executive must include a separate financial resources paragraph which shows what the resource implications of the proposal are and specifically where the financial resources needed will come from be that from within the existing budget or programme or another source. This paragraph has to be agreed with the Section 151 Officer.

### **3. FINANCIAL PLANNING**

- 3.1 The Leader/Executive is responsible for regulating and controlling the finances, assets and liabilities of the Council. The Executive Head of Finance has authority to amend Financial Regulations, following consultation, necessary for effective supervision and control, ensuring full compatibility with the Procedure Rules.
- 3.2 Every year, a capital programme and estimate of revenue income and expenditure must be submitted to the Leader/Executive. These programmes and estimates must meet the deadlines, format requirements and cover the time periods set by the Leader/Executive. The Executive Head of Finance is responsible for collating these estimates and reports on them to the Leader/Executive, with any comments and recommendations from the Management Board.
- 3.3 The Leader/Executive will consider the aggregate effect of these programmes and estimates on the Council's financial resources. After consulting on proposed amendments and deciding on the supporting resources to be used, the Leader/Executive submits them to the Council for approval, recommending the transfer from the Collection Fund for the following financial year.
- 3.4 The Executive Head of Finance must report to the Leader/Executive on the level of financial resources recommended for use each financial year, keep the Leader/Executive informed of the Council's finances and financial performance and advise Members on the financial implications of their work.

#### **4. BUDGETARY CONTROL**

- 4.1 Estimates of income and expenditure on revenue accounts must be prepared in the required form by the Chief Executive or senior managers in consultation with the Executive Head of Finance. Estimates of receipts and payments on capital accounts must be prepared in the required form as outlined in the Capital Strategy by the same senior managers in consultation with the Executive Head of Finance and reviewed and prioritised by the Capital Asset Working Group.
- 4.2 Where the Council has approved and adopted a cash limited budget any additional expenditure must be met by increased income or from savings within approved budgets. The inclusion of items in approved revenue estimates or capital programmes is evidence of approval to spend on them unless the Leader/Executive has placed a reservation. Expenditure may only be incurred on reserved items after further consideration by the Leader/Executive and the reservation has been removed. Once proposed savings have been approved by the Leader/Executive, the Executive Head of Finance will amend the budget accordingly.
- 4.3 For the provision of services under their control, Executive Heads of Service or Heads of Service may undertake expenditure of any type within approved budgets including the signing of contracts or agreements, provided the Council's Contracts Procedure Rules are followed and the advice of the Executive Head of Corporate is taken on all contracts of £50,000 and over in value, and any with unusual or potentially onerous clauses (Contracts Procedure Rules Section I). They may undertake the day to day running and operation of services, including the control, purchase and disposal of stores and maintenance and repair of all buildings, land and equipment within the responsibility of their service area, in accordance with the policies laid down by the Council or the Leader/Executive in these Financial Regulations and Procedure Rules.

#### Capital Estimates

- 4.4 The Chief Executive and senior managers must liaise with the Executive Head of Finance and the Capital Asset Working Group to prepare and annually review an ongoing Capital Programme, to include all approved capital projects for each service area, for report and submission to the Leader, appropriate Portfolio Holders and committees. The Programme must include the following details for each capital project:
- project officer
  - project prioritisation estimated total cost of project
  - actual expenditure to end of previous financial year
  - estimated capital payments for the current financial year
  - estimated capital payments for future year/s
  - estimated annual revenue costs on project completion and any additional manpower, resources, and land acquisition needs.
- 4.5 Any proposed capital project not previously included in the approved Capital Programme must be the subject of a project appraisal report to the Leader or relevant Portfolio Holder from the relevant Executive Head of Service or Head of Service, in consultation with the Executive Head of Finance and the Capital Asset Working Group. This report must detail:

- project officer
- project prioritisation
- justification
- timescale and limiting factors/constraints
- financial costs and benefits analysed over all relevant elements
- analysis of full revenue implications, additional manpower, resources and land acquisition requirements.

Provided the positive recommendation of the Capital Asset Working Group and the relevant Portfolio Holder has been obtained this can then go forward for the Leader's/Executive's approval and Full Council approval as appropriate.

- 4.6 The Information Technology (IT) Capital Programme should be co-ordinated and reviewed by the Executive Head of Transformation in accordance with paragraphs 4.4 or 4.5 above as a separate item for member approval and onward consideration by officer working groups only.
- 4.7 Once Council approves a Capital Programme, the nominated Project Officer must arrange for the land and resources needed to be acquired. The Executive Head of Finance must report to the Leader/Executive on how the Capital Programme will be funded, for onward recommendation to the Council.
- 4.8 Any proposal to increase the provision for a project within an approved Capital Programme by the lesser of 5% of that provision or £10,000, must be submitted to the Leader/Executive, with reasons for the proposed change and the financial effects for both capital and ongoing revenue. Any proposal for deletion must be notified to the Leader/ Executive.
- 4.9 The relevant Executive Head of Service or Head of Service in consultation with the Executive Head of Finance must report to the Leader or relevant Portfolio Holder no later than 1 year after practical completion of any capital project over £100,000. This report must include:
- a statement on the extent to which the project met its intended purpose
  - assessment of the principal contractor's performance and overall contract performance
  - details of actual expenditure compared to original and revised estimates, with the reasons for any major variations.

#### Revenue Estimates

- 4.10 The Leader/Executive must receive and approve annual revenue estimates from the Executive Head of Finance in accordance with any set timetable and guidance. These must be prepared by Executive Heads of Service or Heads of Service, collated and reviewed by the Executive Head of Finance and show for both income and expenditure:
- the actual result for the last completed year
  - the original estimate for the current financial year
  - the probable result (including any supplementary estimates) for the current financial year
  - estimated income and expenditure for the next financial year at current pay and price levels

- an explanation of any major variations.

4.11 The Chief Executive or Executive Heads of Service must nominate Budget Managers for all revenue and capital budget heads. To monitor and control the budgets for which they are responsible, Budget Managers must promptly and regularly receive current financial management information from the Executive Head of Finance for comparison against current estimates.

#### Overspending and Virement

4.12 Any overspending or income shortfall must be covered within annual estimates, or by a supplementary estimate. When an expenditure budget might be overspent or income budget not met, the Budget Manager must consult the Executive Head of Finance and then give advance notice to the Leader/Executive, explaining both the reasons for and means of financing any variation, or with an accompanying statement on the need for a supplementary estimate. The Budget Manager must prepare a supplementary estimate bid in the form and to the timetable set by the Executive Head of Finance, for consideration by the Management Board and approval by the Leader/Executive.

4.13 Executive Heads of Service or Heads of Service may transfer or “vire” funds (minimum £1,000, maximum over £10,000) between current year budget heads for their services, including all salary budgets, subject to the following:

- all corporate priorities, service, performance and budget targets must be maintained
- all corporate guidelines and policies must be followed
- conditions of service and the approved establishment must be complied with
- a single “one-off” budget must not be transferred to fund a new ongoing item of expenditure
- budgets not under effective control of the budget holder must not be vired e.g. rates and insurance
- virement cannot be used to change a service base budget for future years.

4.14 All transfers/virements up to and including £10,000 must be agreed by the budget holders and authorised by the Chief Executive and the Executive Head of Finance, in accordance with any procedures set out by the Executive Head of Finance.

4.15 If the proposed transfer affects budget heads controlled by another member of the Management Board, the transfer must be authorised by both affected members of Management Board

4.16 All requests for transfers/virements over £10,000 must be reported for approval to the Leader/Executive by the budget holder.

#### Carry Forward of Budgets

4.17 Provision for carry forward of unspent capital budget items is made under Capital Programme arrangements, whereby spend may be projected over several years.

4.18 In the first quarter of a new financial year Executive Heads of Service or Heads of Service may apply to carry forward part of a revenue budget not spent, or of income not collected (minimum £1,000) from one financial year to the next. A brief description of the relevant circumstances and explanation of the need for carry

forward must be prepared by the Executive Head of Service or the Head of Service and authorised by the Chief Executive. All such requests will be aggregated and considered collectively on one occasion only annually. Should the total value of carry forwards for the year amount to less than £25,000 then this will be considered and approved by Management Board. Should the total value of carry forward requests for the year exceed £25,000 then approval from the Leader/Executive will also be required.

## **5. ACCOUNTING POLICY**

- 5.1 The Leader/Executive must receive a report on the accounts by 30<sup>th</sup> June after the end of the financial year as required by the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.
- 5.2 The Executive Head of Finance determines the accounts, accounting procedures and financial records of the Council and its officers, and must approve and advise on records and procedures in services, and any changes to them.5.3 The principle of segregation of duties must be followed. If this is not possible for operational reasons then other methods of control approved by Internal Audit must be in place.
- 5.4 Prime financial records must not be altered without such alteration being clearly auditable. Where alterations are made to records passing between services, the officer making the alteration must notify the originating officer of all changes made.

### Reconciliations

- 5.5 The reconciliation of one financial statement or accounting record to another is a most important means of ensuring the accuracy and completeness of financial transactions. They provide a key control in the operation of financial systems. Executive Heads of Service or Heads of Service are responsible for ensuring that all Budget Managers and officers responsible for carrying out reconciliations do so promptly at the end of every relevant financial period, ensuring that any discrepancies are resolved.

## **6. CODE OF CONDUCT FOR OFFICERS**

- 6.1 The Code of Conduct for Officers can be found at Part 5 of the Constitution. Like Financial Regulations and Standing Orders, it must be brought to the attention of all new officers and then followed by all officers throughout their employment with the Council.
- 6.2 It covers general standards; disclosure of information; physical disclosure; political neutrality; relationships; intellectual property and patents; personal interests; separation of roles during tendering; non-solicitation; use of financial resources; gifts; hospitality; visits to exhibitions, demonstrations, conferences etc; use of contractors' services; sponsorship and breaches of the Code.
- 6.3 If an officer has concerns that he or she may be or about to be in breach of the Code of Conduct he/she should bring this to the attention of the Monitoring Officer as soon as possible

## **7. DELEGATED AUTHORITY**

- 7.1 Under the Scheme of Delegation of Functions to Officers at Part 3 of the Constitution and paragraph 4.3 above, authority to undertake financial transactions is delegated

to senior managers and certain nominated officers. However, delegation to other officers may be necessary for practical purposes. These delegations form lines of accountability that should be clear, well communicated and regularly reviewed. They also provide control through appropriate levels of authorisation, limited numbers and separation of duties.

### Authorised Signatories

- 7.2 Delegations within services must be arranged under procedures for authorised signatories. To ensure efficiency and effective absence cover, it is important that full use is made of these arrangements within each service. Executive Heads of Service or Heads of Service must supply the names of officers with properly delegated authority and their specimen signatures on the standard form to the Executive Head of Finance, who will keep a list of officers authorised to make financial transactions and review it regularly. Any changes to authorised signatories within a service must be advised in the same way.

## **8. INTERNAL AUDIT**

- 8.1 The Executive Head of Finance is responsible for providing an adequate and effective internal audit of all Council activities. The duties and functions of Internal Audit are detailed in CIPFA Statements of Internal Audit Practice and the Accounts and Audit Regulations 2003.
- 8.2 Under direction from the Executive Head of Finance alone or in consultation with the Chief Executive, Internal Audit will review and report on all the activities and operations of the Council as a service to Management. The purpose of these reviews is to:
- promote economy, efficiency and effectiveness in the use of Council resources and thereby secure Best Value;
  - ensure systems are in use to protect the authority against fraud and other offences;
  - ensure that records kept and information produced are reliable, necessary and appropriate;
  - appraise and report on compliance with established policies, plans and procedures;
  - produce a full position statement on cause and effect where fraud or any other improper act is suspected, that either directly or indirectly affects the Council's finance and / or assets.
- 8.3 On production of identification, members of Internal Audit may:
- enter any Council premises or land;
  - access all records, documents and correspondence relating to any Council transactions;
  - require and receive any explanations needed concerning any matter under investigation;
  - require any Council employee to produce cash, stores or any other Council property under his or her control.

### Financial Irregularities

- 8.4 When any actual or suspected irregularity arises concerning cash, stores or other Council property, or any suspected irregularity in Council business, senior management must immediately notify the Executive Head of Finance and the Monitoring Officer who will investigate and report as necessary. Where irregularities involve either Council Members or officers, the Chief Executive will be responsible for decisions to involve the police.

## **9. AUDIT OF UNOFFICIAL FUNDS**

- 9.1 The Executive Head of Finance will advise on the keeping and audit of unofficial funds, that is any funds associated with Council business, supervised or managed by council officers, but not part of Council funds or Council trust funds, i.e. charities. Officers invited to act as Honorary Treasurers of unofficial funds must notify their line manager and the Executive Head of Finance for approval before accepting the position.
- 9.2 The Executive Head of Finance can require any officer holding unofficial funds to provide a true account in writing of all money and property in his or her charge, of all receipts and payments with vouchers and other records supporting the accounts, and a list of persons to or from whom money is due detailing amounts for each.
- 9.3 Councillors and staff responsible for administering an unofficial fund must appoint their own auditors, and consider appointing professional auditors when the fund is large or complex. An audit certificate must be sent each year to the Executive Head of Finance with a copy of the audited accounts if required, in the form required by the Executive Head of Finance.
- 9.4 Gifts or items purchased from any unofficial fund that are covered by the Council's definition of inventory items must be entered in the establishment inventory if appropriate.

## **10. EXTERNAL AUDIT**

- 10.1 The Council's external auditors are appointed by the Audit Commission. . External auditors work to a Code of Practice prepared and approved under the Audit Commission Act 1998. Section 5 of the Act requires the external auditor to satisfy himself that:
- the accounts are prepared in accordance with regulations and comply with the requirements of all other appropriate statutory provisions
  - proper actions were observed in compiling the accounts
  - the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 10.2 Section 6 of the Act sets out external audit's right to obtain documents and information. External auditors have a right of access at all reasonable times to documents necessary for the purpose of the audit, and can require persons holding or accountable for documents to give any necessary information and explanation. The external auditor also has power to call on Members and officers not holding such documents to provide information and explanation. Failure to comply with the auditor's requirements is an offence for which the court can impose a fine related to the period that the offence continues. The body being audited must provide the auditor with proper facilities for carrying out the audit.

- 10.3 The external auditor issues reports on areas of the Council's activities and these are reported to the Policy and Audit Scrutiny Committee. The Executive Head of Finance is responsible for any formal response in consultation with Management Board.

## **11. ADVANCE ACCOUNTS**

- 11.1 In exceptional circumstances the Executive Head of Finance will approve and provide advance accounts to be maintained in the imprest system. The Executive Head of Finance will open an account with the Council's bankers for use by the imprest holder that must not be overdrawn. The bank will have a standing instruction to immediately report any overdrawn balance on any imprest account to the Executive Head of Finance.
- 11.2 Bank accounts will be in accordance with the Regulations on Banking Arrangements set out below. The Executive Head of Service or Head of Service must submit the names of the authorised signatories for each account to the Executive Head of Finance, together with their specimen signatures on the standard form provided. A new form must be completed and submitted for any change.
- 11.3 Council income must not be paid into advance accounts, but must be banked or paid to the authority in accordance with the Regulations on Income set out below.
- 11.4 Officers responsible for advance accounts must give the Executive Head of Finance a certificate on the state of their imprest advance on 31<sup>st</sup> March each year or when requested. An account for the amount advanced must also be prepared for the Executive Head of Finance by any imprest holder leaving the Council's employment or no longer entitled to such an account. Senior management must notify the Executive Head of Finance as soon as they are aware of any such event.
- 11.5 All claims for petty cash reimbursement must be made on the standard form, supported by a receipted voucher certified by the appropriate Budget Manager. Petty cash reimbursements will be paid by BACS directly into the claimant's bank account.

## **12. BANKING ARRANGEMENTS AND CHEQUES**

- 12.1 All arrangements with the Council's bankers must be made or approved by the Executive Head of Finance, who is authorised to operate necessary banking, National Giro, Credit and Purchasing Card Accounts and give any appropriate instruction or indemnity required by the Council's bankers. The Council must review its banking arrangements at least every 5 years.
- 12.2 All bank accounts must be in the name of Surrey Heath Borough Council. All cheques, payment forms and other debit and credit forms must be ordered by the Executive Head of Finance, who must make proper arrangements for their security. Cheques drawn on authorised imprest accounts are excluded from this Regulation.
- 12.3 Cheques and similar vouchers on the Council's main banking and National Giro accounts must either display the facsimile signature of the Executive Head of Finance, or be actually signed by one of the authorised signatories namely the Executive Head of Finance or Chief Executive or the Executive Head of Corporate. All cheques drawn over £20,000 in value must be signed by 2 authorised signatories one of which must be the Chief Executive or Executive Head of Finance.

## 13. CONTRACTS

- 13.1 The Chief Executive, Executive Head of Finance or Executive Head of Service or Head of Service concerned must be satisfied that the tenderer is able to fulfil a contract satisfactorily before any contract is entered into. The Executive Head of Finance must verify the financial status of tenderers for contracts over £50,000, and for any other contract where such a check is considered necessary. A financial appraisal should also be undertaken before any contract is extended or negotiated for an additional period.
- 13.2 The Executive Head of Service or Head of Service must supply relevant insurance details to the Insurance Officer (who can advise on necessary limits) before any contract is entered into. This should include details on:
- nature of work
  - contract sum
  - period of contract
  - any special risk
  - whether the contract relates to existing Council property.
- 13.3 For each contract, the Chief Executive, Executive Head of Service or Head of Service must nominate a Contract Manager who will be responsible for complying with Standing Orders, properly maintaining all contract documentation, obtaining all necessary sub-contractor tax certificates and forwarding them to the Executive Head of Finance before payment is made.
- 13.4 The Executive Head of Finance must keep a register of all contracts over £50,000 and all other contracts under seal, to record all payments and show the state of account on each contract between the Council and its contractors together with any other payments and related professional fees. Contracts based on schedules of rates and for which individual job orders are placed are exempted from this Regulation.
- 13.5 Where contracts of £50,000 or less are placed on official orders or other schedule of rates tenders allow for payment by instalments, the relevant Contract Manager must keep a record to show the state of account for each contract together with any other payments and related professional fees, in a form approved by the Executive Head of Finance. Contracts of £5,000 or less must not be paid by instalment.
- 13.6 Each payment to a contractor must be made on a certificate issued by a Executive Head of Service or Head of Service, Contract Manager or other properly authorised officer. Each payment certificate must show:
- the approved contract sum, approval reference and contract number
  - the value of approved variations to the contract and approval reference
  - the value of work completed to date
  - retention money held
  - retention money released
  - amount paid to date
  - amount now certified
  - any fluctuations, where applicable
  - VAT, where applicable.

Payment supporting documents must be kept by the Contract Manager on a permanent file, showing how the payment has been built up.

- 13.7 Subject to contract provisions, every extra or variation must be authorised in writing by the Chief Executive or other properly authorised officer before expenditure is incurred, except in exceptional circumstances and only when the total budget approved for the contract is not exceeded. Where the approved budget would be exceeded, the Leader/Executive must approve any variation. A copy of each variation order for contracts of £50,000 or more must be supplied to the Executive Head of Finance.
- 13.8 The final payment certificate for any contract must not be issued until Internal Audit has had the opportunity to agree a detailed statement of account, including all relevant documents as required from the appropriate officer, private architect, engineer or other consultant. Audit must examine current and final accounts for contracts as necessary, making any enquiries and receiving any information and explanations required at any time during or after the contract period.
- 13.9 Claims from contractors for matters not clearly within the terms of any existing contract must be referred to the Executive Head of Corporate to consider the authority's legal liability and to the Executive Head of Finance for financial consideration before a settlement is reached.
- 13.10 Where contract completion is delayed and gives rise to a claim for liquidated damages on behalf of the Council, the Contract Manager concerned must act in accordance with the Contracts Handbook section 8 (Contract Management – Financial Management) and report to the appropriate Portfolio Holder.

## **14. INCOME AND DEBTORS**

### Fees and Charges

- 14.1 As named budget holder, the Chief Executive, Executive Heads of Service or Heads of Service must set annual discretionary fees and charges after consultation with the Leader or relevant Portfolio Holder and Executive Head of Finance. Charge adjustments may be made for variations to standard services at the discretion of the Chief Executive, Executive Head of Service or Head of Service concerned following consultation with the Leader or relevant Portfolio Holder. All charges for Council services must be in accordance with the Income and Charging Policy, reviewed every year and approved by the Leader/Executive.
- 14.2 Proposed charges must reflect costs, budget guidelines, corporate priorities and case law. Any new charge or change where the predicted annual increase in income is over £2,500 or that involves potentially sensitive issues must be agreed with the Chief Executive in consultation with the Leader or relevant Portfolio Holder.
- 14.3 One-off services may be undertaken and associated charges set by the Chief Executive, Executive Head of Service or Head of Service concerned subject to availability of resources and consideration of any sensitive issues by Management Board and the Leader or relevant Portfolio Holder.

### Collection of Income Due

- 14.4 The collection of all income due to the Council is under the direct supervision or approval of the Executive Head of Finance, and must comply with the Corporate Policy on Debt included within the Income and Charging Policy.
- 14.5 The Chief Executive, Executive Head of Service and Executive Heads of Service or Heads of Service must provide the Executive Head of Finance with all details that may be required, such as debtor details, correct income code etc to ensure that all sums due to the Council are properly recorded and to assist with the prompt recovery of income. This includes all contracts, leases and other agreements or arrangements involving the receipt of money by the Council. The Executive Head of Finance may inspect any related documents or evidence as required.
- 14.6 All official receipt forms, books, tickets and similar items must be ordered, controlled and issued by the Executive Head of Finance for supply to services as needed. All receipts and issues of controlled stationery must be recorded in a register, with each entry signed by the receiving officer.
- 14.7 It is important to maintain separation of duties between officers raising invoices and those collecting income. Officers are accountable for all money they receive on behalf of the Council, and must record in an accurate and chronological order all receipts and deposits they receive and pass this information to the Executive Head of Finance. All income received by an officer on behalf of the Council must be paid promptly to Council's bank account with details submitted to the Executive Head of Finance.
- 14.8 All cheques and payable orders must be crossed to the Council's account immediately on receipt in the receiving department. Every transfer of official money from one officer to another must be evidenced in departmental records by the signature of the receiving officer. Personal cheques must not be cashed from money held on behalf of the Council.
- 14.9 Any discrepancies between amounts deposited and amounts shown as received must be recorded and investigated, with Internal Audit notified immediately of any amounts over £20. If not corrected, any shortfall must be made good at a later deposit at the discretion of the Executive Head of Finance, with any uncorrected shortfall over £200 reported to the Leader/Executive.
- 14.10 Cancelled invoices or day book sheets must show the reason for cancellation and be signed by an authorised officer of the service responsible for raising the debt.

#### Sponsorship

- 14.11 Offers of sponsorship with a total value of less than £1,000 may be arranged and agreed by the Executive Head of Service or Head of Service concerned after consultation with the Chief Executive and the Leader or appropriate Portfolio Holder. Sponsorship of less than £1,000 will be reported to the Leader/Executive twice yearly.
- 14.12 Offers of sponsorship with a total value of over £1,000 must be approved by Leader/Executive. All arrangements for sponsorship must be careful to comply with paragraph 15 of the Code of Conduct for Officers. (Regard shall be given to the Sponsorship Arrangements Protocol at Part 5 of the Constitution.)
- 14.13 The Monitoring Officer will maintain a list of all sponsorship arrangements.

## Windfall Income

- 14.14 Any Income received for the Council which is not included within the annual budget arising from, for example, Grants, windfalls, gifts etc must be notified to the Executive Head of Finance as soon as it is identified.

Authorisation for the use of this income must be obtained from:

- Under £1,000 – Executive Head of Finance
- Over £1,000 and under £5,000 – Management Board in consultation with the portfolio holder
- Over £5,000 – Executive

## **15. INSURANCE**

- 15.1 The Executive Head of Finance must arrange all insurance cover and negotiate all claims in consultation with other officers, as necessary. The Council must review its insurance arrangements at least every 10 years, and its level of risk cover at least once a year.
- 15.2 Executive Heads of Service or Heads of Service must keep the Executive Head of Finance promptly informed of all new risks, properties or vehicles that need to be insured, of any alterations affecting existing insurances and of any special risks with regard to contracts. They must review all insurances in consultation with the Executive Head of Finance as and when necessary, consulting the Executive Head of Finance and Executive Head of Corporate on the terms of any indemnity that the Council is asked to provide.
- 15.3 The Executive Head of Finance must maintain appropriate records detailing all insurances arranged by the Council, and keep Executive Heads of Service or Heads of Service informed as necessary. Executive Heads of Service or Heads of Service must keep records of all plant, vehicles, furniture and equipment under their control, to be available for inspection by the Executive Head of Finance. See section 16 below.
- 15.4 In the event of any potential loss, liability, damage or event likely to lead to a claim, Executive Heads of Service or Heads of Service must promptly notify and provide a written report to the Executive Head of Finance. Officers must never verbally admit liability, take any action or record in any way an admission of liability on behalf of the Council.
- 15.5 All employees of and voluntary workers for the Council must be included in a suitable fidelity guarantee policy.
- 15.6 Unless qualifying as a small claim (under £200) as detailed at paragraph 15.7 below, an insurance claim should be made where possible and no payments made to third parties in lieu of or advance for damage to third party property. Executive Heads of Service or Heads of Services are responsible for ensuring that claims are completed in the manner prescribed by the Executive Head of Finance
- 15.7 The Executive Head of Finance has authority to make ex-gratia payments of up to £200 for any single claim.

- 15.8 On request, senior managers must provide the Executive Head of Finance with details of insurance cover arranged by organisations that own or lease buildings on Council held land.
- 15.9 The Executive Head of Finance must periodically inspect insurance documents to ensure that adequate cover is in place for all mortgaged properties, including those where the mortgagor has arranged cover with a company other than the Council's own insurers. He or she must also inspect insurance documents to ensure adequate cover is arranged and maintained for vehicles purchased under car loan agreements.

## **16. INVENTORIES**

- 16.1 Executive Heads of Service or Heads of Service are responsible for setting up and maintaining an inventory of all items under their control with a replacement value of £200 or more, including all electrical and photographic equipment regardless of cost. Inventories must be kept up to date, in a form agreed with the Executive Head of Finance. An annual check of all inventories must be carried out by each service, and action taken on any anomalies found that must be noted on the inventory. Details of all purchases or disposals must be included on inventories at the time of purchase, sale or disposal and notified to the Executive Head of Finance.
- 16.2 The Executive Head of Transformation is responsible for maintaining a central inventory of computer equipment.
- 16.3 Executive Heads of Service or Heads of Service are responsible for the care and custody of all equipment held in their respective services. Council property must not be removed or used except in the ordinary course of business, or in accordance with specific directions from the Executive Head of Service or Head of Service concerned.

## **17. INVESTMENTS, BORROWING AND TRUST FUNDS**

- 17.1 All money in the hands of the Council is to be aggregated for the purposes of treasury management under the control of the Executive Head of Finance.
- 17.2 This Council adopts the key recommendations of CIPFA's 'Treasury Management in the Public Services; Code of Practice' (the Code), as described in Section 5 of that Code.
- 17.3 Accordingly, this Council will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and approach to risk management of its treasury management practices
  - 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.

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 recommendations.

- 17.4 This Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the

year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

- 17.5 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Leader/Executive and for the execution and administration of treasury management decisions to the Executive Head of Finance 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*.
- 17.6 The Council nominates the Policy and Audit Scrutiny committee to be responsible for the effective scrutiny of the treasury management strategy and policies
- 17.7 All negotiable instruments, financial bonds and securities held in the name of the Council or its nominees must be held securely by the Executive Head of Corporate, the Executive Head of Finance or the Council's bankers unless the Council has authorised use of an outside agent.
- 17.8 In consultation with the Leader or relevant Portfolio Holder, the Executive Head of Finance may engage external Investment Fund Managers to manage the authority's investments. The terms and conditions of any engagement will be determined by the Executive Head of Finance and include a requirement that any such managers must report quarterly to and attend review meetings with Council representatives.
- 17.9 All trust funds must wherever possible be in the Council's name and always comply with the requirements of the Charity Commissioners. Unless the trust deed states otherwise, officers and councillors (except when acting in a private capacity) acting as trustees must give all related securities etc to the Executive Head of Finance or the Section 151 Officer for safekeeping. See section 9 above on the Audit of Unofficial Funds for general management guidance.

## **18. ORDERS FOR WORK, GOODS AND SERVICES**

- 18.1 Official orders must be raised for all work, goods or services to be supplied to the Council. Exceptions are allowed only for supply of public utilities, periodical payments such as rent or rates, reimbursement of expenses or other items approved by the Executive Head of Finance.
- 18.2 Official orders can only be raised when there is approved budget to cover their costs, or by special financial provision or allocation. The names of officers authorised to sign orders must be notified to the Executive Head of Finance in accordance with arrangements for Authorised Signatories detailed at paragraph 7.2 above. Executive Heads of Service or Heads of Service are responsible for official orders raised in his or her service.
- 18.3 Official orders must be:
  - in a form approved by the Executive Head of Finance
  - signed only by a properly authorised signatory
  - consecutively numbered
  - completed with details of the nature and quantity of work, goods or services required, the relevant contract, expenditure code and agreed or estimated price excluding VAT.

- 18.4 Any blank spaces on the order form must be drawn through diagonally by the completing officer, so no further items can be added after authorisation. Copy orders must be kept and filed numerically by the issuing service. The Executive Head of Finance controls the issue of all order books, and stocks of unused orders must be kept securely within services.
- 18.5 Use of official electronic orders must be controlled by system access and authorisation procedures approved in advance by the Executive Head of Finance.
- 18.6 Verbal orders such as those made on the telephone should only be used in emergencies. The next available official order number and name of the authorised officer must always be quoted to the supplier, with a confirmation order sent to the supplier no later than the next working day, showing the official order number quoted and marked "Confirmation order – telephone order of (date) refers".

## **19. PAYMENT OF ACCOUNTS**

- 19.1 Apart from arrangements for advance accounts (see Section 11 above), the normal methods of paying sums due from the Council are BACS and crossed cheque. Payments by other methods such as credit or purchase cards may only be at the discretion of the Executive Head of Finance.
- 19.2 Executive Head of Service or the Head of Service or delegated officer issuing an order must use arrangements for authorised signatories to set up procedures for examining, verifying and certifying the related invoice, payment voucher or account. The Executive Head of Service or Head of Service receiving the works, goods or services must arrange to certify receipt and that the sum due for payment is provided for within approved budgets. These procedures must ensure prompt clearance of invoices to achieve performance indicator targets and avoid financial loss under the Consumer Credit Act.

### Payment of invoices where an official order has been issued

- 19.3 Within 7 days of receipt invoices for which an official order has been issued must be certified on "Certification of Invoice" form F34 as follows:
- the officer ordering the works, goods or services must initial to confirm that the works, goods or services have been satisfactorily received and that the sum due for payment is properly incurred and covered by approved budgets;
  - the officer must indicate whether or not the invoice has been in dispute;
  - the officer must also mark off the invoice on the copy order and initial to confirm that the invoice has not been previously paid;
  - the officer must ensure that the prices, extensions, calculations, trade discounts, other allowances, credits and treatment for VAT (see Regulation 21 below) are correct;
  - the officer must certify by full signature that all previous checks have been carried out to his or her satisfaction and that the invoice is approved for payment;
  - the officer must immediately forward the invoice to Finance.
- 19.4 Finance must verify that invoices are properly certified by responsible officers and examine certified accounts as necessary, receiving any information and explanations required.
- 19.5 Where payment of an invoice clears its associated order, the order must be marked "Paid" and numerically filed with other completed orders, separately from unpaid orders.

- 19.6 As soon as possible after 31<sup>st</sup> March, by a date in April set by the Executive Head of Finance each year, the Chief Executive, Executive Heads of Service and Heads of Service must each notify the Section 151 Officer of all outstanding revenue expenditure for the previous financial year relating to works, goods or services ordered and supplied during that year.
- 19.7 Statements are not the same as invoices. In order to reduce the risk of duplicate payments, no payment can be made on the statement alone a copy invoice must be requested from the supplier.
- 19.8 Faxed documents and photocopies should not be used as payment vouchers due to the risk of invoices being paid twice. They can only be used for payment if endorsed by the certifying officer that the original is not available and he/she has been unable to obtain one despite making a request of the supplier .
- 19.9 The Chief Executive or properly authorised officer is responsible for raising and certifying requisitions for making approved loans and advances.
- 19.10 Accounts for payments relating to purchase of land or property must be supported by details of the land or property including location, the vendor's name, the purchase price and all associated expenses, and be certified by the Chief Executive or properly authorised officer.

#### Payments made without invoice

- 19.11 All payments made without a supporting invoice must be recorded on a "Cheque Requisition Voucher" form F66, unless otherwise instructed by the Executive Head of Finance. A properly authorised officer must initial to confirm that:
- the work, goods, services, refunds, rebates or other commitments have been properly received or will be received or accounted for;
  - the calculations, allowances, credits and treatments for VAT are correct;
  - the amount for payment has not been previously passed for payment;
  - the sum due for payment is provided for in approved budgets.

The officer must then certify by full signature that all previous checks have been satisfactorily carried out and that the payment is approved.

- 19.12 By 31<sup>st</sup> March each year, the Chief Executive, Executive Head of Service and Heads of Service must ensure that all capital expenditure occurring in that year has been properly certified and passed for payment. No account may be taken of expenditure in the year incurred by contractors but not certified or paid by the Council.

## **20. PARTNERSHIPS**

- 20.1 The Chief Executive, Executive Heads of Service and Heads of Service may enter into partnerships and similar joint undertakings on behalf of the authority, subject to consideration and approval by the Management Board and the Leader/Executive. Partnership transactions must comply with these Financial Regulations and Procedure Rules, unless otherwise specified by the partnership and agreed by the Executive Head of Finance.

## **21. VALUE ADDED TAX (VAT)**

### VAT on payments

- 21.1 Certifying officers must confirm that all suppliers of goods, works or services have complied with VAT legislation and have correctly completed payment documentation in accordance with instructions issued by Customs and Excise.

#### VAT on receipts

- 21.2 All officers raising income for the Council must consult Finance to ensure compliance with VAT legislation for the supply of Council services. The Section 151 Officer is responsible for maintaining all records, accounts and claims under the Value Added Tax Act 1983.

## **22. SALARIES, WAGES AND PENSIONS**

- 22.1 The Head of Human Resources will pay all salaries, wages, pensions, compensations etc. to all employees or former employees of the Council. This will be under arrangements approved and controlled by the Executive Head of Finance in consultation with the Head of Human Resources.

- 22.2 The Chief Executive, Executive Head of Service or Head of Service concerned must notify the Head of Human Resources and the Executive Head of Finance as soon as possible of anything affecting such payments, particularly:

- appointments, resignations, dismissals, retirements, redundancies, deaths, suspensions, secondments and transfers;
- absence from duty due to sickness, maternity, compassionate or unpaid leave;
- all changes in remuneration for employees on Surrey Heath Borough Council conditions of contract;
- changes in remuneration apart from normal increments, pay awards and agreements affecting all other employees;
- information necessary to maintain records of service for superannuation, income tax, national insurance and similar matters.

- 22.3 All employees must be appointed in accordance with the Regulations of the Council and the approved establishments, grades and rates of pay.

- 22.4 All time records or other pay documents must be in a form set or approved by the Executive Head of Finance and the Head of Human Resources. The Chief Executive, Executive Heads of Service or Heads of Service are responsible for completing and signing time sheets as needed and for passing them to the Head of Human Resources for payroll preparation.

## **23. SECURITY**

- 23.1 The Chief Executive, Executive Heads of Service and Heads of Service are responsible for the security of all buildings, stocks, stores, equipment, cash, documents and other assets under their control. The Executive Head of Finance must be consulted whenever security might be inadequate or special arrangements are needed.

- 23.2 Maximum limits for cash holdings must be agreed with the Executive Head of Finance and cannot be exceeded without his permission, to prevent invalidating insurance cover.

- 23.3 Keys to safes, cash boxes, strong rooms and security systems must be held by officers responsible for them at all times. The loss of any such keys must be reported to the Executive Head of Finance at once and no new keys cut without agreement from the Executive Head of Finance.
- 23.4 The Executive Head of Transformation is responsible for the proper security and privacy of electronic data. The Chief Executive, Executive Heads of Service and Heads of Service are each responsible for ensuring compliance with Data Protection Act 1998 in their respective services, and for ensuring all staff are aware of their obligations under the Act.

## **24. STOCKS AND STORES**

- 24.1 Executive Heads of Service or Heads of Service are responsible for the care and custody of stocks and stores in their services, for keeping stocks and stores records in a form approved by the Executive Head of Finance and for not holding more stocks than are needed.
- 24.2 Executive Heads of Service or Heads of Service must arrange for at least annual test checking of stocks by officers who are independent of responsibility for stock control. Internal Audit Services are also entitled to check stocks and stores, and receive any information required for the Council's accounting, costing and financial records.
- 24.3 Adjustments to write off shortfalls or bring surpluses into charge must be authorised by the Executive Head of Finance, except for individual adjustments of £500 or more when the relevant Head of Service must secure the approval of the relevant Portfolio Holder.
- 24.4 The Chief Executive, Executive Head of Service or Head of Service is responsible for keeping records of all vehicles and mobile equipment under his or her control, which Internal Audit Services are entitled to examine.
- 24.5 Executive Heads of Service or Heads of Service may dispose of surplus materials, stores or equipment up to a value of £500 by competitive tender, public auction or another reasonable manner at the discretion of the Executive Head of Finance. Before disposal all other services must be notified to see if items for disposal can be used elsewhere.

## **25. TRAVEL, SUBSISTENCE, FINANCIAL LOSS AND OTHER ALLOWANCES**

- 25.1 All claims for payment of officers' car allowances, subsistence allowances, travelling and incidental expenses incurred on official duty must be properly certified by an authorised officer and submitted to Payroll or Finance as appropriate on the approved form or using the electronic kiosk system within two days of the month end to which the claim relates.
- 25.2 All claims for the payment of work or qualification training and course expenses, including related subsistence and travel expenses, must be properly authorised by an officer in the same service and submitted to the Head of Human Resources for certification and forwarding to the Executive Head of Finance. Claims for conference expenses must be signed by a properly authorised officer and submitted to the Executive Head of Finance.
- 25.3 Payments to members, including co-opted members of the Council or its committees, and to officers who are entitled to claim travelling or other allowance, must be made

by the Executive Head of Corporate on receipt of the properly completed claim form. All claims must be certified by the Chief Executive to confirm attendance and submitted to the Executive Head of Finance within two days of the month end to which the claim relates.

- 25.4 Certification by or on behalf of the Chief Executive, Executive Head of Service or Head of Service means that the certifying officer is satisfied the journeys were authorised, expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

## **26. WRITE OFFS AND DISPOSALS**

- 26.1 Amounts, individual debts, stocks and stores of up to and including £1,500 may be written off with the approval of the Executive Head of Finance. Amounts over £1,500 can only be written off with the approval of the Leader/Executive.
- 26.2 The Executive Head of Finance has authority to write off debts in respect of bankruptcies and liquidations. Any such amounts written off or later associated receipts must be reported to the relevant Portfolio Holder or Leader for information.
- 26.3 A bad debt raised on the Council sundry debtor system will be written off against the revenue service account from which it was raised; bad debts relating to gypsy rents will be written off to the relevant personal account and will be included in the next claim submitted to Surrey County Council; bad debts relating to bed and breakfast accommodation will be written off to a specific corporate provision.
- 26.4 All requests for write off must be submitted by Heads of Service to the Executive Head of Finance. Details of the total values written off and the services to which they refer must be reported to the Leader/Executive each year.
- 26.5 Executive Heads of Service or Heads of Service may dispose of items of equipment that are obsolete or surplus to requirements after consultation with the Executive Head of Finance. Disposal must normally be by competitive tender or public auction, unless otherwise approved by the Executive Head of Finance.

## **27. PROTECTION OF PRIVATE PROPERTY IN THE TEMPORARY CUSTODY OF THE AUTHORITY (LOST PROPERTY)**

- 27.1 When action is needed to prevent or limit loss or damage of moveable property, the Chief Executive, Executive Head of Service or Head of Service concerned must notify the Executive Head of Finance and provide an itemised and certified inventory in all cases. These inventories must be prepared in the presence of at least two officers.
- 27.2 All valuables such as jewellery, watches and other similar items and documents of title must be deposited with the Executive Head of Finance for safe custody, unless he or she decides otherwise.

## **28. COMMERCIALY COMPETITIVE LOCAL AUTHORITY SERVICES**

- 28.1 Where any of the Council's services are being run in competition with commercial organisations, to the extent that they may unreasonably restrict the commercial operation of the service concerned, the Executive Head of Finance following consultation with the Management Board and the relevant Portfolio Holder or Leader

may amend any of these Financial Regulations. All such amendments must be reported to the Leader/ Executive as soon as possible.

**SURREY HEATH BOROUGH COUNCIL  
FINANCIAL REGULATIONS  
GLOSSARY OF TERMS**

<b>Accrual</b>	A sum included in the final accounts to cover income or expenditure attributable to that year but for which payment was not received/made during the year.
<b>Allocation</b>	Salaries and associated expenses of central departments, and the cost of maintaining administrative buildings and other central services shared between cost centres.
<b>Budget</b>	A statement of the authority's plans for revenue and capital expenditure and income over a specified period of time.
<b>Budget Head</b>	A specific area of income or expenditure that together make up a cost centre. Each is given an individual number within the cost centre as detailed in the Estimate Booklet.
<b>Capital Discharged</b>	The amount of capital expenditure paid for out of revenue or other sources.
<b>Capital Outlay</b>	Expenditure on acquiring significant fixed assets which will be of use or benefit in providing services beyond the year of account.
<b>Capital Programme</b>	This makes budget provision for expenditure on major schemes or works.
<b>Capital Receipts</b>	Proceeds from the sale of assets and other receipts of a capital nature.
<b>Cash Limited Budget</b>	A budget subject to the control that additional funds cannot be made available unless realised through increased income or from savings within the approved budget.
<b>Cost Centre</b>	The main headings for each activity as shown in the summary sheet in the Estimate Booklet.
<b>Collection Fund</b>	The Council collects local taxation on behalf of Surrey County Council, Surrey Police and Parish Councils and to meet its own needs. This money collected as Council Tax is managed separately along with central government grants in the Collection Fund.
<b>Creditors</b>	Represent money owed by the Council to others.
<b>Debtors</b>	Represent money owed to the Council by others.
<b>Deferred Capital Receipts</b>	Monies from sales of assets which will be received in instalments over agreed periods of time.
<b>Deferred Charges</b>	An item in a balance sheet where there is a loan liability but no tangible asset, such as house renovation grants or residual debt on assets sold.

<b>Detail Account</b>	Sub divisions of the numbered budget heads, details of which are held in the financial accounting system.
<b>Fidelity Guarantee</b>	Insurance against fraudulent losses.
<b>General Fund Revenue Account</b>	Makes financial provision for all operational expenditure on services, or day to day running costs. The main Council fund.
<b>Government Grants</b>	Sums paid by central government towards either specific services or in aid of services generally.
<b>Imprest</b>	A sum of money to be used as petty cash.
<b>Management Board</b>	The membership of the Management Board is the Chief Executive, and Executive Heads of Service, advised by the Section 151 Officer and the Monitoring Officer who are ex officio members.
<b>Monitoring Officer</b>	The officer designated under section 5 of the Local Government and Housing Act 1989 as the Council's Monitoring Officer, responsible for the discharge of a wide range of statutory duties such as arrangements for corporate governance, lawfulness, standards of conduct, probity, allegations of maladministration, complaints, etc. The officer is currently the Executive Head of Corporate.
<b>Outturn</b>	The actual income and expenditure for a financial year, as stated by the final accounts.
<b>Performance Indicators</b>	A set of local authority service performance indicators determined by central government and published each year for every local authority.
<b>Project</b>	<p>Discrete piece of work which is not "business as usual" but has a start and end date, and for which a team would usually be assembled to focus on the work.</p> <p><u>Gold</u> major projects relating to the four key priorities in the Corporate Plan or those that Management Board considers critical to the success of SHBC; Progress reported through TEN</p> <p><u>Silver</u> major projects in a service; critical to the success of the service to community; Executive Head of Service or Head of Service member as sponsor or lead officer; Will be identified in Service Plans.</p> <p><u>Bronze</u> significant projects; impact limited to discrete services/communities; Executive Head of Service or Head of Service or service colleague as sponsor or lead officer; Management Board updated by exception only; will be identified in Service Plans.</p> <p><u>Status</u> "Green" - project progressing well; risks under control; completion target will be met. "Amber" - project progressing, but significant risks developing; completion target may not be met; "Red" - significant risks impeding project completion, and completion target unlikely to be met; corrective action needed.</p>

<b>Property Maintenance Fund</b>	A separate financial provision for the major repair and maintenance of the Council's existing property, vehicles, plant and equipment.
<b>Repairs and Renewals Fund</b>	A separate financial provision for the major repair and maintenance of the Council's existing property, vehicles, plant and equipment, like the Property Maintenance Fund.
<b>Reserves and Provisions</b>	Funds set aside to meet future expenditure on specific items or as a contingency against future losses.
<b>Revenue Contributions to Capital Outlay</b>	The financing of capital expenditure directly from revenue.
<b>Revenue Expenditure</b>	The day to day costs of providing services.
<b>Section 151 Officer</b>	The officer responsible for the proper administration of the Council's financial affairs, currently the Executive Head of Finance, as required by section 151 of the Local Government Act 1972.
<b>Virement</b>	The transfer of an underspend or increased income on one budget head to finance additional spending on another budget head within the financial year, without affecting future budgets.
<b>Working Balances</b>	Sums provided within the accounts to meet those expenses incurred in advance of the receipt of income as well as for unforeseen contingencies.

