

# **The South Yorkshire Mayoral Combined Authority**

## **Financial Regulations 2022**

## Document Properties

### Change Record

| Version | Revision | Author | Description                                | Date     |
|---------|----------|--------|--|----------|
| V1      | 1        | SD     | Amendments to reflect dissolution of SYPTE | March 23 |
|         |          |        |  |          |

### Document Approval

| Approving Body or Person | Role (review, approve)                       | Date     |
|--------------------------|--|----------|
| MCA                      | Approved at the MCA Board 06/03/23 Min No 90 | March 23 |
|                          |  |          |

## Contents

|          |   |    |
|----------|---|----|
| <b>1</b> | <b>Background</b>                                       |    |
| 1.1      | The Purpose and Authority of the Financial Regulations  | 4  |
| 1.2      | Accountability for Compliance                           | 4  |
| 1.3      | Accounting Policies                                     | 4  |
| 1.4      | Risk Management   | 5  |
| 1.5      | Internal Control  | 5  |
| 1.6      | Roles and Responsibilities                              | 5  |
| 1.7      | Staffing  | 5  |
| <b>2</b> | <b>Financial Management and Planning</b>                |    |
| 2.1      | Accounting Arrangements                                 | 6  |
| 2.2      | Financial Planning Arrangements                         | 6  |
| 2.3      | Capital and Revenue Budget Planning – Medium Term Plans | 7  |
| 2.4      | Budgetary Control                                       | 7  |
| 2.5      | Virements   | 8  |
| 2.6      | Variations  | 8  |
| 2.7      | Maintenance of Reserves/Provisions                      | 8  |
| 2.8      | External Funding and Grants                             | 9  |
| 2.9      | Accountable Body Arrangements                           | 9  |
| <b>3</b> | <b>Risk Management and Control</b>                      |    |
| 3.1      | Borrowing and Investment                                | 9  |
| 3.2      | CIPFA Treasury Management Code of Practice              | 10 |
| 3.3      | Contracts   | 10 |
| 3.4      | Insurance   | 11 |
| 3.5      | Internal and External Audit                             | 11 |
| 3.6      | Taxation  | 12 |
| 3.7      | Stocks, Stores, and Security                            | 12 |
| 3.8      | Money Laundering  | 13 |
| 3.9      | Fraud   | 13 |
| 3.10     | Financial Implications                                  | 13 |
| <b>4</b> | <b>Financial Procedures</b>                             |    |
| 4.1      | Banking Arrangements                                    | 13 |
| 4.2      | Purchasing  | 13 |
| 4.3      | Payments to Suppliers                                   | 14 |
| 4.4      | Payment of Accounts                                     | 14 |
| 4.5      | Petty Cash and Purchase Cards                           | 15 |
| 4.6      | Expenses  | 15 |
| 4.7      | Asset Register  | 15 |
| 4.8      | Estates and Property                                    | 15 |
| 4.9      | Disposal of Assets                                      | 15 |

|      |                                     |    |
|------|-------------------------------------|----|
| 4.10 | Income Management and Debt Recovery | 15 |
| 4.11 | Payroll                             | 16 |
| 4.12 | Retention of Records                | 16 |

**Appendix 1**

**Scheme of Delegation**

|   |   |    |
|---|---|----|
| 1 | Background  | 18 |
| 2 | Delegations to the Statutory Officers and other Directors | 18 |
| 3 | Delegations to the Finance Director                       | 19 |

## **1. Background**

### **1.1 The purpose and authority of the Financial Regulations**

These Regulations form part of the Authority's Constitution and as such carry with them the same authority. They set out the financial management policies of the South Yorkshire Mayoral Combined Authority and are a key part of the Authority's financial governance arrangements.

They are intended to help Members and Officers manage the Authority's finances in line with best practice and should be read and implemented in the wider context of the Authority's Constitution. The Finance Director (Section 73 Officer) is required to formulate and maintain any standards, procedures, processes and training as s/he deems necessary to support the effective implementation of these Regulations.

It is important that these Regulations are, and continue to be, relevant to the Authority. They should be reviewed regularly to remain consistent with the Authority's Constitution and related documentation and to be in line with accounting best practice, legislation and any changes in the Authority's requirements.

Any changes to these Regulations must be proposed by the Finance Director and approved by the Authority.

### **1.2 Accountability for compliance**

These Regulations are a key element of the Authority's governance arrangements. The Finance Director is required to sign the Annual Governance Statement (AGS) to confirm that they fully comply with the prescribed governance arrangements of the Authority including these Regulations.

All officers working for or on behalf of the Authority are accountable for following the rules set out in these Regulations and all relevant financial and accounting procedures as prepared by the Finance Director.

Non-compliance with these Regulations and associated procedures may result in the withdrawal of delegated financial authority and / or the instigation of disciplinary procedures.

Adherence to the processes associated with the Authority's finance systems (Epicor / ARM) is also essential in ensuring that officers are complying with these Regulations.

In the event of a dispute or lack of clarity over interpretation of these Regulations, the matter must be referred to the Finance Director for arbitration.

### **1.3 Accounting Policies**

The Finance Director is responsible for selecting Accounting Policies and ensuring that they are applied consistently. The Accounting Policies are set out in the Statement of Accounts which are prepared as at 31st March each year. The key controls in Accounting Policies are that:

- Systems of internal control are in place to ensure that financial transactions are lawful;
- Proper accounting records are maintained; and
- Financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income.

#### **1.4 Risk Management**

These Financial Regulations and associated finance systems and processes are a key part of the Authority's risk management framework and associated risk strategies. Officers will need to demonstrate compliance with corporate risk management requirements.

#### **1.5 Internal Control**

Internal Control is the system put in place by the Authority to conduct its business in an orderly and efficient manner. It is used to safeguard its assets and resources, to deter and detect errors, fraud and theft, to ensure accuracy and completeness of its accounting data, to produce reliable and timely financial and management information and ensure adherence to the Authority's policies and plans.

The Chief Executive (Head of Paid Service) is required to highlight deficiencies in the control framework and to identify significant incidents that have occurred. As part of the Annual Governance process, s/he must also confirm that there are satisfactory arrangements in place to manage internal controls.

#### **1.6 Roles and Responsibilities**

The Authority has overall responsibility for ensuring that the Authority's expenditure remains within the resources available to it. Functions reserved to the Authority, which include approving the Annual Revenue and Capital Budgets, are set out in Part 4A of the Authority's Constitution and/ or prescribed by law.

The Finance Director is responsible for the proper administration of the Authority's financial affairs, particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally. The Finance Director is authorised to sign any and all grant claims, statutory returns or other documents that require the authority of the Section 73 Officer.

The Head of Paid Service has overall responsibility for the management and co-ordination of the employees appointed by the Authority. Consistent with their role as a Chief Officer of the Authority, the Head of Paid Service is responsible for ensuring that the services provided to the Authority by staff under their control are in accordance with the Financial Regulations of the Authority.

#### **1.7 Staffing**

The Chief Executive is the Head of Paid Service and will be responsible for providing overall management to staff employed by the Authority.

The Chief Executive and the Finance Director will be responsible for ensuring that there is proper use of evaluation or other agreed systems for determining remuneration.

The Finance Director will:

- Ensure that budget provision exists for all existing and new employees;
- Ensure that appropriate mechanisms are in place to support the payment of salaries and any other related expenses to staff;
- Set out and issue a staff expenses scheme to be followed where staff incur personal expenses when carrying out their duties on behalf of the Authority.

Chief Officers must ensure that appointments are made in accordance with the approved establishment and scales of pay and the adequate budget provision is available. Officers must produce an annual staffing budget (including on costs and overheads) which should be an accurate forecast of staffing levels and associated costs.

A list of individual delegations for the 3 statutory posts (inclusive of the Monitoring Officer) is provided at Appendix 1.

## **2. Financial Management/ Planning**

### **2.1 Accounting Arrangements**

The Finance Director shall prepare a manual of financial and accounting procedures to be operated by officers working for the Authority.

All accounting and financial arrangements shall be determined by the Finance Director who shall be consulted before any form or document of a financial or costing nature is introduced.

At the end of the financial year the Finance Director shall be supplied with information in such a form and by such a date as he/she may determine to enable him/her to close the Authority's Accounts promptly.

The Draft Accounts must be presented to the Audit Standards & Risk Committee prior to the External Audit. The Final Accounts must be approved by the Authority before the statutory deadline (usually within 6 months of the year end) and promptly after the External Audit.

If the Auditor's Report requires any material amendment to be made to the Draft Accounts, this must be then reported to the Authority as soon as practicable after the receipt of the audit report.

The timescales for retaining financial records are set out in the financial and accounting procedures manual.

### **2.2 Financial Planning Arrangements**

The Finance Director is responsible for running the annual budget and business planning process, thus ensuring that the proposed budget is policy-led.

The detailed format of the programme of capital expenditure and revenue estimates shall be determined by the Finance Director after consultation with appropriate Officers

and Elected Members, in accordance with any general directions of the Authority.

The Authority is responsible for approving the annual revenue budget and capital programme of the Authority within the Budget and Policy Framework, including:

- Setting of a levy pursuant to the Transport Levying Bodies Regulations 1992 on or before the 15<sup>th</sup> February in the preceding year.
- The Authority is required to set the Annual Revenue Budget for the forthcoming financial year, by such time as defined by statute.

### **2.3 Capital and Revenue Budget Planning - Medium Term Financial Plans**

The Finance Director shall prepare a medium term financial strategy comprising a forecast of capital and revenue expenditure and income for discussion with the constituent member authorities in relation to future levies and funding and report such discussions to the Authority. Such a strategy must reflect the priorities and plans of the Authority.

The Finance Director shall ensure that a revenue budget is prepared on an annual basis for consideration and approval at a meeting of the Authority before 31<sup>st</sup> January prior to the start of the forthcoming financial year, allowing for call in if required. At that meeting determination shall be made of the quantum of the levy, Mayoral precepts and other contributions for the following year.

### **2.4 Budgetary Control**

In approving the Revenue Budget, the Authority will determine the amounts to be allocated to various expenditure heads. The Finance Director will monitor expenditure against this approval, and report on a regular basis to the Authority showing actual and projected expenditure. It will be a matter for the Authority to determine from this information whether expenditure priorities should be changed.

For revenue expenditure, any likely overspending shall be reported as soon as practicable to the Finance Director. Where it is not possible to finance an overspend by a transfer between expenditure heads, the matter shall be referred to the Authority.

Before a capital scheme for which provision is made in the Capital Programme may proceed, a fully costed scheme report shall be presented to the Authority, after having been assessed in accordance with the Authority's Local Assurance Framework and any requirements as stipulated by the funding provider.

The Authority will determine guidelines for carrying forward of under- and over-spending on budget headings. The Finance Director will administer the scheme of carry forward within the guidelines approved by the Authority for consideration.

Any use of revenue and capital reserves, in addition to that already planned, must be approved by the Authority. The Finance Director will ensure that there are clear protocols for the establishment and use of reserves, advise the Authority on prudent levels of reserves and report on the use of reserves to the Authority.

Award of grant is a matter reserved to the Authority, and under delegation to the



Thematic Boards. The Finance Director shall ensure that grants for capital and revenue purposes to outside organisations are not made without appropriate authority and budget provision.

As soon as practical after the end of the financial year, the Finance Director will report to Authority the overall Revenue out-turn position including details of reserves, balances and provisions held by the Authority. The report should include recommendations relating to the treatment of any under or over spending by the Authority.

## **2.5 Virements**

The Finance Director) shall be authorised to approve virements between expenditure heads up to £250,000. Anything in excess of these limits shall be reported for approval to the Authority. Virements are deemed to be:

- Revenue - a transfer of budget for a different purpose to that set out in the approved Budget;
- Capital - a movement of budget between approved capital schemes.

Changes to investment programmes involving the award of grant to external organisations is a policy matter reserved to the Authority and under delegation to the Thematic Boards. Approval will be sought from the Authority or Board for changes to previously approved programme or scheme funding levels.

Virements between Capital and Revenue require the approval of the Authority.

In accordance with the scheme of virement and associated thresholds, the Finance Director is responsible for considering reports submitted by Chief Officers in respect of virement proposals for revenue spending.

The Finance Director is to report and seek the approval of the Chief Executive to the exercise of the virement powers of the Authority where a matter is urgent.

## **2.6 Variations**

Changes to the overall level of resources available in the revenue budget and capital programme is reserved to the Authority. Any proposed changes will be made by the Finance Director as part of regular budget monitoring.

The Finance Director may vary the overall level of resource where an amendment is required to accommodate new grant funded activity that has been previously approved by the Authority.

## **2.7 Maintenance of Reserves/Provisions**

The Finance Director is responsible for formulating an annual Reserves Strategy for approval in line with the Constitution.

The Finance Director may approve the transfer to reserves of a restricted grant, being either ring fenced or subject to conditions imposed by the funder, received by the

Authority where the related expenditure is not expected to be incurred in the current financial year.

As part of their duty to make arrangements for the proper administration of financial affairs, the Finance Director will manage the need for transfers to and from reserves in line with the approved Reserves Strategy. Movement to and from reserves will be reported to the Authority as part of the Revenue Budget Monitoring process. Where the proposed transfer is not consistent with the approved Reserves Strategy or does not relate to the receipt of a restricted grant, then subject to the urgency procedure, the decision may only be taken by the Authority.

Requests to carry forward underspends or to establish earmarked reserves should be linked to the annual revenue budget and may only be done following review by the Finance Director. Transfers made will be highlighted to the Authority as part of the Revenue Budget Monitoring process.

## **2.8 External Funding and Grants**

The Finance Director is responsible for:

- Ensuring there are proper processes and procedures in place for the completion, assessment, authorisation and submission of applications for external funding and any subsequent claims;
- Determining whether to accept grant offers on behalf of the Authority, subject to all the terms and conditions imposed by the grant awarding body, in accordance with the Officer Scheme of Delegation;
- Approval of all completed grant claims and certifications;
- Ensuring all statutory financial returns related to external funding are completed and submitted in line with relevant guidelines, and;
- Ensuring the income due from grant claims is received and that records are kept for the reconciliation of grants due and received. Such records must have robust audit trails and meet External Audit requirements.

## **2.9 Accountable Body Arrangements**

The Accountable Body is legally responsible for ensuring that the requirements of the funder are met.

Based on an assessment of risk, and other pertinent information, the Finance Director is responsible for approving whether or not it is appropriate for the Authority to act as the Accountable Body for external grant aid or to provide guarantees in relation to the liabilities of a third party.

The decision to agree to the Authority becoming the Accountable Body must be taken before any offers of funding are accepted. Where the Authority is guaranteeing the liabilities of a third party this must also be approved in accordance with these Regulations.

Where in the opinion of the Finance Director the risks associated with the Authority becoming the Accountable Body or guaranteeing the liabilities of a third party, merit doing so, s/he can require the decision to be taken by the Authority.

### **3. Risk Management & Control**

#### **3.1 Borrowings and Investments**

The Authority is responsible for:

- Approving the Treasury Management Strategy and the Investment Strategy of the Authority and its subsidiaries.
- Approving the borrowing limits of the Authority pursuant to section 3 of the Local Government Act 2003.

The Finance Director shall be the Authority's registrar of stocks, bonds, bills and mortgages and all borrowings shall be made by, or under the supervision, of the Finance Director.

The Finance Director shall ensure that the Treasury Management Code of Practice and the Prudential Code are complied with and shall, as recommended by the Codes of Practice, periodically submit relevant reports to the Authority in relation to its borrowings.

The Finance Director is responsible for negotiating an annual borrowing cap with Her Majesty's Treasury each year under the direction of the Authority.

#### **3.2 CIPFA Treasury Management Code of Practice**

In line with CIPFA recommendations, the Authority has adopted the following to create and maintain, as the cornerstones for effective treasury management:

- A Treasury Management Policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable Treasury Management Practices (TMPs), setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The Authority 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.
- The Authority delegates responsibility for the implementation and regular monitoring of its Treasury Management Policies and Practices to the Audit, Standards and Risk Committee, and for the execution and administration of treasury management decisions to the Finance Director of the Authority, who will act in accordance with the Authority's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

### **3.3 Contracts**

All contracts on behalf of the Authority shall be subject to the Authority's governance arrangements.

The Finance Director shall be informed as soon as possible of all contracts, agreements, awards or other instruments involving the payment or receipt of money on behalf of the Authority and shall carry out such checks as he/she considers necessary during the currency of a contract.

Every variation of a contract or addition to the original specification shall be authorised, in writing, by a duly authorised Officer in accordance with the Authority's Contract Procedure Rules. Any such variation or addition which necessitates an increase in the amount of an accepted tender or estimate shall be reported to the Finance Director as soon as possible.

The final certificate on a contract or accepted estimate shall be issued by the duly authorised Officer after he/she has submitted to the Finance Director a detailed statement of account, together with such vouchers or documents as he/she may require.

### **3.4 Insurance**

The Monitoring Officer of the Authority, under delegation from the Finance Director, shall effect all insurance cover required in connection with the business of the Authority, subject to any general direction of the Authority.

Chief Officers shall give prompt notification to the Monitoring Officer of all new risk, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

Chief Officers shall inform the Monitoring Officer promptly in writing of any event which may involve the Authority in a claim with its insurers.

### **3.5 Internal & External Audit**

The Finance Director shall, so far as he/she considers necessary:

- Arrange for the internal audit of all accounts and financial transactions of the Authority and its officers;
- Supervise security arrangements and the custody and safeguarding of the Authority's monies and property, including any funds entrusted to the Authority or its officers; and
- Undertake investigations in order to ensure that value for money is obtained and loss through wastage minimised.

The Finance Director will make arrangements to ensure that internal auditors have the authority:

- To have access to Authority premises at reasonable times;
- To have access to the Authority's documents, records, and equipment;

- To require any officer of the Authority to account for cash, stores, or any other Authority asset under their control;
- Where possible, to have access to records belonging to third parties, such as contractors, when required;
- To receive information concerning any matter under investigation; and
- To have access to the Chief Executive and the Audit, Standards and Risk Committee.

An Annual Audit plan will be prepared by the Head of Internal Audit and approved by the Audit, Standards & Risk Committee and the Finance Director. This Plan is designed to provide assurances to the Authority regarding the arrangements in place to manage the most significant risks faced by the Authority. As part of the audit planning process, and in line with the requirements of the Authority's Risk Management Framework, the Head of Paid Service is responsible for managing risk and for informing Internal Audit of the risks that are prevalent in his/her area. The Head of Paid Service is also responsible for agreeing and implementing relevant Audit recommendations. The Head of Internal Audit will report to each Audit, Standards & Risk Committee on the delivery of the Internal Audit Plan, the implementation of recommendations by management, any material changes to planned coverage, significant control issues and on the operational performance of the Internal Audit function.

External audit shall be carried out by an auditor appointed in accordance with the legislative requirements who will report annually, or more often if deemed necessary, to the Audit, Standards and Risk Committee.

### **3.6 Taxation**

The Finance Director is responsible for:

- Ensuring that taxation advice is available to Chief Officers to ensure compliance with relevant legislation;
- Maintaining the Authority's tax records, making all tax payments, receiving tax credits, and submitting tax returns by their due-date as appropriate;
- Completing all HM Revenue and Customs returns regarding Pay As You Earn (PAYE); and
- Completing a monthly return of VAT inputs and outputs to HM Revenue and Customs.

Chief Officers are to:

- Ensure that the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all output tax is properly identified and recorded;
- Ensure that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
- Ensure that all persons employed by the Authority are added to the Authority's payroll and that tax is deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency;
- Follow any guidance on taxation that may be issued by the Finance Director.

### **3.7 Stocks, Stores & Security**

Each Chief Officer shall be responsible for the care and custody of stocks and stores within their area of responsibility. The responsibilities are to:

- make proper arrangements for the secure control and safe custody of all assets in respect of their area of responsibility;
- ensure that the property procedures are adhered to by all officers;
- inform the Finance Director of any instances where they believe the security to be inadequate;
- ensure that designated officers are personally responsible for the safekeeping of keys;
- ensure that designated Managers review the security of the premises under their control on a regular basis.

The Finance Director shall arrange for periodic checks of stocks by persons other than store-keepers where such stocks are of a significant value.

The Finance Director shall be authorised to write-off or dispose of obsolete or surplus stock. Requests to write-off or dispose of items in excess of £10,000 must be reported to the Authority for information.

Assets shall not be removed from the Authority's premises, unless on official Authority business and should not be used other than for official Authority purposes or in line with arrangements sanctioned by the Head of Paid Service. All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner and be appropriately protected at all times.

### **3.8 Money Laundering**

Specific responsibilities relating to money laundering are set out in the Anti- Money Laundering Policy (appended to these Regulations) and the Head of Paid Service is responsible for ensuring that this policy is adhered to. The full policy and procedure is attached at Appendix 2.

### **3.9 Fraud**

All Officers, acting for or on behalf of the Authority, and Members are responsible for notifying the Finance Director where there is any actual or suspected irregularity affecting the Authority's assets.

The Finance Director will ensure an effective anti-fraud and anti-corruption policy is maintained which is included in the Authority's Constitution along with the Whistleblowing policy.

### **3.10 Financial Implications**

The Finance Director will ensure that all reports to Boards and Committees include a completed section for 'Financial Implications'. This section will summarise the capital and revenue expenditure implications of the proposals in the report together with any associated financial risks. The contents and advice within this section is the remit of the Finance Director.

## **4. Financial Procedures**

### **4.1 Banking Arrangements**

All arrangements with the Authority's bankers shall be made by the Finance Director who shall be authorised to operate such banking accounts, as he/she considers necessary. Any funds due to the Authority shall be deposited directly into an account established under the direction of the Finance Director and no other Officer shall have the authority to establish any other type of banking arrangement without the express permission of the Finance Director.

### **4.2 Purchasing**

All purchasing must be in accordance with the Authority's Contract Procedure Rules. Requests to operate outside of Contract Procedure Rules via waiver must be approved by the Finance Director, and any breaches of Contract Procedure Rules will be reported by the Finance Director to the Audit and Standards Committee.

The Finance Director must approve all purchasing arrangements involving credit or lease facilities.

Wherever possible a purchase order is required for all purchases of goods and services, and one must be processed before requesting the supply.

Different Purchase Order types are in place to meet expenditure requirements including those that are not for the supply of goods or services. They must fully detail the goods and services to be supplied and the budget from which the expenditure is to be met. Final costs or an estimate of the costs of the goods or services ordered (net of VAT) should also be provided.

Orders and procurement card purchases must only be raised for goods and services provided to the Authority or on official Authority business. Individuals must not raise official orders or make purchases using a procurement card for their own private use. Variations must only be actioned through properly authorised amendments to orders. Issued orders must not be amended verbally with the supplier.

Before authorising an order, Approvers must ensure that the proper approval for the spending has been obtained in line with the Authority's decision-making framework and Contracts Procedure Rules.

Authorisation in accordance with the requirements set out below is not a substitute for formal approval as required by the Constitution, the Authority's Standing Orders and Contracts Procedure Rules and Procurement Policy.

Before authorising an order, managers, who must have written authority from the Finance Director to do so, should be satisfied that:

- The order represents legitimate liabilities of the Authority.
- The required checks have been evidenced.
- Sufficient budgetary provision exists to cover the payment.
- The expenditure is correctly coded.

- All necessary documentation is attached.

The Finance Director will maintain an appropriate approval matrix for the approval of purchase orders in line with the Authority's Scheme of Delegation.

The Finance Director will maintain a copy of all records required to support taxation matters.

### **4.3 Payments to Suppliers**

No payment will be made unless supported by an appropriately authorised Purchase Order. Exceptions to this are payments relating to the use of Procurement Card or one-off payments transacted directly through the bank and approved by the Finance Director.

Supplier Invoices will go direct to the Accounts Payable team where it will be loaded into the finance system. Once the invoice is matched to the appropriate purchase order this will clear the invoice for payment in accordance with the payment timescales recorded on the Authority's finance system. Where the details contained on the invoice do not allow the purchase order to be matched, the order raiser should request a credit note from the supplier to resolve the mismatch.

The Authority's standard payment terms are 30 calendar days from the date that a valid invoice is received by the Authority. Any variation, which would result in the supplier being paid in less than 30 days, must be agreed by the Finance Director or delegate. Where a supplier makes a request for payment in advance, advice must be sought from the Finance Director.

### **4.4 Payment of Accounts**

Chief Officers shall be responsible for the certification and submission of invoices and other claims to the Finance Director who shall make safe and efficient arrangements for the payment of such accounts.

### **4.5 Petty Cash and Purchase Cards**

The Finance Director shall make such arrangements as he/she considers necessary for defraying petty cash and other expenses by means of an imprest system.

Purchase card accounts shall be operated strictly within the procedures determined by the Finance Director. All purchases made and general use of the card are subject to the Contract Procedure Rules.

### **4.6 Expenses**

Members and officers will only be entitled to travel, subsistence and incidental expenses where these are incurred legitimately in performing duties on behalf of the Authority in line with the agreed policy and rates. Claims should be made in line with relevant Authority policies including the requirement to provide receipts to the provider of the Payroll Service. All such payments will be made through the payroll system.

Payments of expenses to individuals who are not Authority employees must be made



through the Purchase to Payment system in accordance with the procedures as laid down by the Finance Director.

Expenses incurred by agency staff should be included in the Agency charge and paid through the Purchase to Payment system.

#### **4.7 Asset Register**

The Finance Director has overall responsibility for the financial elements of the Authority's Asset Register and for ensuring that it complies with all necessary accounting requirements.

#### **4.8 Estates and Property**

The Finance Director shall maintain a register of all estates and properties owned in a format approved by the Finance Director.

The Monitoring Officer shall be responsible for the safe custody of all legal documents under secure arrangements agreed with the Finance Director.

#### **4.9 Disposal of Assets**

It is the responsibility of the Head of Paid Service to authorise the acquisition and disposal of capital assets, aside from the disposal, acquisition and development of any land by the Authority which, subsequent to Part 4 of the Authority's Constitution, may be authorised by the Authority.

#### **4.10 Income Management & Debt Recovery**

The collection of all money due to the Authority shall be directed by the Finance Director's representative. This will include the methods by which income will be accepted, its banking and storage, and appropriate separations of duties.

The Authority's standard payment terms and conditions are that, unless contractually agreed or in the case of a demand payable by instalments, sundry debts are payable within 30 days and in full.

The Authority will undertake robust action up to and including Court action to recover money owed to it. The costs of enforcement action to recover sundry debts, up to and including court action, will be borne by the relevant Business Unit.

If a debt is not paid by day 60, a charge will be made against the Business Unit to make full provision for the debt not being paid. Exceptions will be made for debts owed by constituent partner authorities.

If recovery action is unsuccessful, the Authority may write off debts that are correctly due to it but which, for whatever reason, are no longer collectable.

Write-offs must be proposed by the Head of Paid Service and approved and actioned by the Finance Director.

Acceptance of cash as a means of settling debtor-accounts is discouraged. Acceptance

of cash payments in a single or linked transactions over £2,500 must not be accepted without prior written permission from the Finance Director.

#### **4.11 Payroll**

The payment of all salaries, wages, pensions, expenses and any other payments to all employees and former employees of the Authority must only be made under arrangements approved and controlled by the Head of Paid Service and approved by the Finance Director.

Amendments to the payroll, e.g. for absences and variations to pay, shall be limited to those Officers authorised to do so, as per the Authority's decision making framework.

Payment of fees to individuals who are not Authority employees must be made through the Purchase to Payment system and in accordance with the requirements of HM Revenue and Customs and the relevant procedures as laid down by the Finance Director and the Head of Paid Service. Payment and personnel records must be held securely.

The Finance Director is responsible for the calculation of all PAYE and Superannuation deductions and their remittance to relevant bodies.

#### **4.12 Retention of Records**

The Finance Director is responsible for ensuring that appropriate records are retained to support all audit, funding and taxation requirements.

The Finance Director will maintain a Financial Records Retention Schedule in support of this.

## **Appendix 1 Scheme of Delegation**

### **1. Background**

Section F of the Constitution details the Scheme of Delegation of Functions to Officers. This Scheme of Delegation is prepared in accordance with Section 101 of the Local Government Act 1972.

The Constitution recognizes the Head of Paid Service, the Finance Director, and the Monitoring Officer as the Statutory Officers. 'Directors' in the context of this Scheme means any person designated as such by the Head of Paid Services and appearing on the staffing establishment as a Director.

The Scheme of Delegation sets out which powers may be exercised by which officer on behalf of the Authority. The Scheme of Delegations notes that powers may be exercised on behalf of those named officers, or in their name, provided that authorisations have been granted and recorded with appropriate monitoring arrangements in place. Finally, Section F of the Constitution notes the circumstances in which delegated powers may be exercised.

In relation to the Financial Regulations, the following General Delegations are of note:

### **2. Delegations to the Statutory Officers and Directors**

The functions set out below are delegated to all Statutory Officers and Directors unless limited by the individual delegation.

#### *Routine Management*

In relation to Statutory Officers and Directors the day to day routine management, supervision and control of services provided for the Authority by staff under their control in accordance with the Rules of Procedure and Financial Regulations of the Authority.

#### *Contracts/Land*

In relation to Statutory Officers the disposal of surplus or obsolete Authority assets to the person submitting the highest quotation up to a limit of £100,000 in value and the leasehold disposal of land leased for revenue generative purposes.

In relation to Statutory Officers the acquisition of land for the purpose of delivering any project in the approved capital programme and budget.

In relation to Statutory Officers and Directors the acceptance of a tender or quotation:-

- For the supply of goods, materials, or services for which financial provisions has been made in the Authority's Revenue Budget (as may be varied from time-to-time subject to the delegations afforded to the Finance Director through the Financial Regulations or is fully funded by any grant that is received as a result of a previously approved funding bid submission), or
- For building and civil engineering works provided that the value of the tender is within the estimate previously approved by the Authority as part of the capital programme and such expenditure is approved by the Finance Director;

Provided that:-

- The **tender or quotation is in accordance with the Authority's Contracts Procedure Rules** and is either the most economically advantageous tender decided by reference to pre-determined weighted award criteria or the subject of a waiver of the Authority's Contracts Procedure Rules granted in accordance with those Rules;
- The decision relates to the **delivery of the agreed business plan** for that business area;
- The decision accords with any officer decision making guidance issued to Officers;
- Where the decision is a **key decision** or may have policy or strategic implications, the Officer exercising the delegation will, before the decision is taken, **consult with the relevant Thematic Board Chair**, or if it does not fall within a Thematic Boards remit, with the Mayor (*NB, the provisions of part 5B of this constitution apply to Key Decisions taken by Officers*);
- Once the decision has been made the Officer completes the prescribed officer decision form and complies with the **transparency requirements** of The Openness of Local Government Bodies Regulations 2014; and
- Officer decisions over £100,000 in value will be reported to the next available MCA as part of the **Delegated Authority Report**.

### 3. Delegations to the Finance Director

The functions set out below are delegated to the Finance Director:-

- To effect the proper administration of the Authority's financial affairs, particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally.
- The taking of all action required in relation to the Authority's treasury management (borrowing, investment and financing arrangements) subject to the submission to the Authority of an annual report of the Finance Director on treasury management activities in accordance with CIPFA's Code of Practice for Treasury Management & Prudential Codes.
- To effect all insurance cover required in connection with the business of the Authority and to settle all claims under such insurances arranged for the Authority's benefit.
- The preparation of manuals of financial and accounting procedures to be followed by all Officers working for and on behalf of the Authority.
- To accept grant offers on behalf of the Authority, subject being satisfied with all the terms and conditions imposed by the grant awarding body and subject to either the submission of the funding application for grant or the grant offer having been approved by the Authority or Thematic Board (in accordance with the Scheme of Delegation set out in Part 4 Section G) as appropriate.
- To submit all claims for grant to the UK Government, the European Union (EU) or any other source of funding.

- To make all such banking arrangements on behalf of the Authority as the Finance Director considers necessary, including arrangements for issuing cheques.
- To monitor capital spending and submit regular reports to the Authority.
- In relation to revenue expenditure under the control of officers, to consider the reports of those officers.
- The collection of all money due to the Authority, and the writing-off of bad debts.
- To supervise procedures for the invitation, receipt and acceptance of tenders.
- To administer the scheme of Members' allowances.
- To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2011 including the requirement under Regulation 8(2) to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the Authority at the end of the year to which it relates and of the Authority's income and expenditure for that year.
- To discharge the functions of the Authority under the Accounts and Audit (England) Regulations 2011 (with the exception of regulations 4(3), 6(4) and 8(3)).
- To sign certificates under the Local Government (Contracts) Act 1997.
- To be the officer nominated, or to nominate in writing another officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any regulations made thereunder.
- To determine an amount (not exceeding the sterling equivalent of 5,000 euros) being the maximum sum which the Authority will receive in cash without the express written consent of the Finance Director.
- To exercise the responsibilities assigned to the Finance Director in the Financial Regulations and the Contracts Procedure Rules.