

## Financial Procedure Rules

### Contents

		Page
1	Introduction	
2	Financial Organisation	
3	Value for Money	
4	Accounts and Accounting Systems	
5	Budgets - Revenue	
6	Budgets - Capital	
7	Internal Audit	
8	Irregularities	
9	Security	
10	Building and Civil Engineering Contracts	
11	Control of Income	
12	Orders for Work, Goods and Services	
13	Certification and Payment of Accounts	
14	Imprest Accounts	
15	Salaries and Wages	
16	Stores and Stores Accounts	
17	Inventories	
18	Terrier of Land and Property	
19	Banking Arrangements and Cheques	
20	Treasury Management	
21	Leasing	
22	Insurances	
23	Computer Systems and Data Processing	
24	Gifts, Hospitality, Clients and Contractors	
25	Partnership Working	
26	Local Management of Schools	
	<b>Annexes</b>	
1	Anti-Fraud & Corruption Policy Statement	
2	Anti-Fraud & Corruption Strategy	
3	Treasury Management Code Of Practice	

## 1. Introduction

- 1.1. It is necessary for any large organisation to establish principles to be observed in the management of its financial affairs. Much of that financial management is necessarily carried out by employees without formal financial qualifications or training.
- 1.2. Such principles are even more important for local authorities, which are subject to many statutory requirements, public accountability and external audit.
- 1.3. A written code of regulations provides a clear set of rules governing financial matters in the Council and ensures uniformity of financial administration between different departments so that all staff (and especially new employees) work within an established and accepted basis.
- 1.4. The public is entitled to expect the Council to maintain the highest standards of probity and protect the Council's purse. An Anti Fraud and Corruption Policy Statement has been adopted which sets out the Council's commitment to not tolerate fraud, corruption or abuse of position for personal gain wherever it may be found in any area of Council activity (**Annex 1**).
- 1.5. This statement is underpinned by an Anti Fraud and Corruption Strategy (**Annex 2**) which identifies the key components of the Council having an effective counter-fraud regime; highlights the key people and measures which can help in the prevention of fraud and corruption; details responsibility for detection and investigation; recognises that continued success of the strategy is dependent upon an effective training programme; and outlines deterrence arrangements.
- 1.6. These Procedures are not intended to be subject to the finer points of legal interpretation and should be used as a basis for management action rather than policy decision. They are to be read in conjunction with the Responsibility for Functions, Council Procedure Rules, Contracts Procedure Rules and Property Procedure Rules, under Parts 3 and 4 of this Constitution respectively.

## 2. Financial Organisation

- 2.1. It shall be the duty of Cabinet to regulate and control the finances of the Council. The Director of Corporate Services shall be responsible for monitoring all the expenditure and revenues of the Council.
- 2.2. The Director of Corporate Services shall be :-
  - 2.2.1. forwarded a copy of all reports which will be submitted to the Council, Cabinet, Committees and Subsidiary Bodies which have financial implications for the Council at least ten clear working days in advance of the deadline for receipt of reports by Democratic Services; and
  - 2.2.2. advised of all cases where representatives of the Council intend to consider financial proposals with representatives of Government departments or other bodies and shall be entitled to attend such meetings, and to take part in and

advise on any discussions involving finance as he/she considers necessary.

2.3. The Director of Corporate Services shall keep the Cabinet Member with Resource Management Portfolio informed of any developments significantly affecting the overall finances and financial position of the Council.

2.4. All Cabinet Members and Directors shall be responsible for the observance of these regulations throughout all portfolios and departments under their control.

### **3. Value for Money**

Within the policy of the Council, it shall be the responsibility of each Director to ensure that there are proper arrangements in their respective departments for securing economy, efficiency and effectiveness in the use of the Council's resources.

### **4. Accounts and Accounting Systems**

4.1. The Director of Corporate Services shall prepare the Council's annual accounts and shall require the keeping of such accounting records as he/she considers necessary. It shall be the duty of Directors to prepare and supply, within agreed timescales to the Director of Corporate Services, such supporting information as may be necessary for the preparation of those records in accordance with the timetable to be directed by the Director of Corporate Services.

4.2. All systems of accounting and accounting records throughout the Council shall be subject to the approval and control of the Director of Corporate Services.

4.3. The Director of Corporate Services shall ensure that the Council's accounts and supporting records are kept up-to-date and that the accounts are completed, balanced and reported to the Audit Committee for approval within three months of the end of each financial year.

### **5. Budgets - Revenue**

5.1. The Director of Corporate Services shall submit a report each year to Cabinet reviewing the Council's finances, financial strategies and financial plans for the ensuing years.

5.2. Directors of each department together with the Director of Corporate Services shall prepare each year detailed estimates of revenue income and expenditure.

5.3. Corporate Management Team shall submit expenditure and income proposals to Cabinet, with due regard to the Council's overall finances, strategies, plans and detailed estimates.

5.4. Cabinet and Resources Scrutiny Committee shall further develop CMT's proposals in accordance with Budget and Policy Framework Procedure Rules.

5.5. Cabinet shall recommend to the Council the total net budget requirement for the Borough, which, following Council approval, shall constitute authority to incur such

expenditure.

- 5.6. It shall be the responsibility of each Director to exercise supervision and control of expenditure and income within the total resources allocated to them by the Council. The Director of Corporate Services shall supply each Director with such financial information, advice and guidance as will enable him reasonably to comply with this regulation. Periodic monitoring reports on operating expenditure and income shall be supplied to the Cabinet during the year.
- 5.7. Each Director shall be responsible, in consultation with the Director of Corporate Services, for submitting proposals to Cabinet for the regular review of rents, fees and charges.
- 5.8. A report will be submitted to Cabinet for any expenditure which cannot be accommodated in the approved resource allocation.

## 6. Budgets – Capital

### *Capital Expenditure*

- 6.1. The Director of Corporate Services shall prepare and maintain a Capital Strategy (CS), which sets the strategic framework for capital investment and the development, retention or disposal and deployment of the Council's assets.
- 6.2. The Director of Development and Environment shall prepare and maintain an Asset Management Plan (AMP), which sets the operational framework for the effective and efficient management of the Council's assets and capital investment.
- 6.3. Resources Scrutiny Committee shall consider the proposed CS and AMP and make recommendations to Cabinet. Cabinet shall have regard to recommendations and comments of Resources Scrutiny Committee when deciding the proposed CS and AMP to be submitted to Council for approval. The Strategy and Plan shall be reviewed at least annually.
- 6.4. Within the framework of the CS and AMP, all Directors shall prepare and maintain five-year capital expenditure plans for their services, based on their service plans and improvement priorities.
- 6.5. Directors' capital expenditure plans shall be reviewed and updated at least annually. The plans shall be considered annually by the Asset Management Group (AMG), which shall formulate proposals for the Council's overall Medium Term Financial Plan for capital (MTFP-C).
- 6.6. Corporate Management Team (CMT) shall consider the proposals of AMG and prepare a report to Cabinet, setting out proposals for the Council's MTFP-C. The MTFP-C shall include projected available resources, the allocation of resources to services and prudent retention of resources to meet unforeseen short-term demands, variances in projected available resources and medium-term future needs.

Capital  
Strategy  
and  
Asset  
Manage  
ment  
Plan

Capital  
Expenditure  
plans

Medium  
Term  
Financial  
Plan -  
Capital

- 6.7. In developing their proposals, CMT and AMG shall, in addition to departmental capital expenditure plans, have due regard to: -
- 6.7.1. External funding available to the Council from Government and other grants and supported borrowing;
  - 6.7.2. Hypothecation ('ring-fencing' of external funding for specified purposes), non-hypothecated but ear-marked resources and resources that are available for any permitted use;
  - 6.7.3. Developers contributions towards capital expenditure, under Section 106 agreements and any other similar arrangements;
  - 6.7.4. Internal resources available from capital receipts, non-supported borrowing and revenue contributions to capital expenditure

- 6.8. Where Directors consider that capital expenditure requirements exceed external funding programmes for their services, they shall develop bids for internal resources, informed by their departmental plans.
- 6.9. Bids shall be prepared in accordance with procedures and in a format agreed by AMG. They shall be assessed by AMG using a scoring model that will have regard to the Capital Strategy, Asset Management Plan, Community Strategy, Corporate Plan and other internal strategies, including the Council's Organisational Development Strategy, ICT and HR strategies.
- 6.10. AMG shall submit to CMT a list of assessed bids. CMT shall develop proposals for internally funded capital schemes for inclusion in its annual MTFP-C report to Cabinet.
- 6.11. Cabinet shall consider CMT's proposed MTFP-C and make recommendations to Council regarding: -
- 6.11.1. Planned capital resources including
    - 6.11.1.1. Internal resources from Capital Receipts arising from asset disposals, Unsupported Borrowing ('Prudential Borrowing') and contributions from revenue;
    - 6.11.1.2. External resources from Government and other grants, Supported borrowing and contributions from developers
  - 6.11.2. Allocations of resources to services including resources in the major programme blocks (Education, Housing, Transport and other services)
  - 6.11.3. Unallocated resources held in reserve
- 6.12. Resources Scrutiny Committee shall have the opportunity to examine Cabinet's recommendations and may make recommendations to Cabinet to make changes to the

proposed MTFP-C or may support Cabinet's recommendations.

6.13. Cabinet shall consider the recommendations and comments of Resources Scrutiny Committee and may make changes to its recommendations to Council.

6.14. Before 11th March each financial year, Council shall consider the recommendations of Cabinet for the MTFP-C and shall approve a MTFP-C, which may be as recommended by Cabinet or may, by simple majority of those present and voting, contain changes to Cabinet's proposals.

Release of resources – approval for individual schemes

6.15. Inclusion of a scheme in the programme approved by Council does not constitute authority to incur expenditure. Each capital scheme in the approved programme shall be the subject of a written report by the responsible Director, in consultation with other Directors concerned, to Cabinet. The report shall include the need for the proposed expenditure, its place in the Council's strategic plans, the estimated capital cost analysed as appropriate between land, construction, equipment, vehicles and design and project management costs; the estimated annual revenue implications (including running costs and financing costs); and the methods of financing.

6.16. Reports for releasing capital resources shall also contain details of alternative options that have been considered. Reports for all proposed schemes with a value of more than £1 million shall also contain whole-life-cost evaluations, setting out the cost of the proposed scheme over its expected life, including any cost implications at the expiry of the life of the proposed scheme. Option appraisal and whole life costing shall be in accordance with standards set by the Asset Management Group (see paragraph 25).

Management and control of approved schemes

6.17. The director responsible for each approved scheme shall ensure that proper arrangements are made for the management of the implementation of the scheme, with regard to cost, specification and timeliness.

6.18. A report shall be submitted to Cabinet for approval of material variances from the approved details of individual schemes if: -

6.18.1. The actual or projected final costs of a scheme increase by the lesser of 10% or £100,000 and the increase in costs is required to be met from the Council's own capital resources or have an impact on the availability of resources for other schemes; or

6.18.2. The approved specification of the scheme changes significantly from that approved. In this context, "significantly" means a change that will affect the quality or effectiveness of the completed scheme to such an extent as to impact on the objectives of carrying out the scheme; or

6.18.3. The time taken to substantially complete the scheme has, or is expected to, increase significantly ("significantly" having a similar meaning to above).

6.19. Variances from approved details that are below the thresholds defined above shall be reported to Cabinet for approval in the quarterly monitoring reports described in

paragraph 6.21 below.

- 6.20. Cabinet's delegated authority to approve additional resources is established by, and subject to limits in, the "Responsibility for Functions" (Executive Functions) section of the Constitution.
- 6.21. The Director of Corporate Services shall submit quarterly monitoring reports to Cabinet, providing information regarding costs and progress of schemes. The director responsible for each scheme shall provide information to enable the report to be prepared. The reports shall contain summary information regarding progress of the Council's overall capital programme and the resources available, including projections of future resources and commitments.
- 6.22. The final outturn of all schemes with a value in excess of £1 million shall be reported to Cabinet. The reports shall compare actual cost, timeliness and quality (including specification and quantity as appropriate to each case, i.e. "what has been delivered") with the original and any amended approvals.
- 6.23. The outturn of schemes with values of less than £1 million shall be included in quarterly monitoring reports.
- 6.24. The development of capital investment proposals referred to in paragraph 4 above is likely to require expenditure on feasibility studies and option appraisals. In accordance with statutory accounting rules, such expenditure generally cannot be capitalised. Directors are, therefore, required to meet such costs from their revenue budgets, under the relevant provisions of Financial Procedure Rules regarding revenue budgets.
- 6.25. The Asset Management Group (AMG), Chaired by the Director of Development Services and with representation from all departments, shall maintain a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management. The AMG shall oversee implementation of standards and procedures and make recommendations for implementation by other parties (e.g. CMT, Cabinet, full Council) as appropriate.
- 6.26. The Director of Corporate Services, in consultation with the Chief Executive, has delegated powers to sanction capital expenditure above the levels approved by Council or Cabinet where items are urgent or would have a financial benefit, up to £50,000.

Feasibility  
and option  
appraisal

Asset  
Manage-  
ment  
Group

Urgent  
work –  
delegated  
power.

### ***Capital Receipts***

- 6.27. The Asset Management Plan (AMP) shall include plans for the disposal of assets that are surplus to the Council's strategic and operational requirements.
- 6.28. Implementation of the asset disposal plan shall be in accordance with the Council's Property Procedure Rules.

## **7. Internal Audit**

- 7.1. A continuous internal audit under the independent control and direction of the Director of Corporate Services shall be arranged to carry out an examination of accounting, financial and other operations of the Council.
- 7.2. The Director of Corporate Services, or his/her representatives, shall have authority to :-
  - 7.2.1. enter at all reasonable times on any Council premises or land except where a contract is in progress;
  - 7.2.2. have access to all records, documents and correspondence relating to any financial and other transactions of the Council;
  - 7.2.3. require and receive such explanations as are necessary concerning any matter under examination; and
  - 7.2.4. require any employee of the Council to produce cash, stores or any other Council property under his control.
- 7.3. In respect of any audit report or similar communication issued by the Director of Corporate Services, the appropriate Director must reply within six weeks indicating the action proposed or taken.

## **8. Irregularities**

- 8.1. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council, or any suspected offence in the exercise of the functions of the Authority by any employee of the Council, the Director concerned shall notify immediately the Director of Corporate Services or vice versa.
- 8.2. No investigation or interview in connection with an alleged irregularity shall be undertaken prior to the Director of Corporate Services being informed.
- 8.3. The Director of Corporate Services, in consultation with the Director concerned, shall take such steps as he/she considers necessary by way of investigation and report, and where it appears that an offence may have been committed shall consult with the Borough Solicitor. In all circumstances the Chief Executive shall be kept informed.
- 8.4. Annex 2 sets out a detailed Anti-Fraud and Corruption Policy Statement and Annex 3 is the Anti-Fraud and Corruption Strategy.

## **9. Security**

- 9.1. Each Director shall be responsible at all times for maintaining proper security for all buildings, stocks, furniture, equipment, cash, legal documents, etc. under his/her control. He/she shall consult the Director of Corporate Services in any case where security is thought to be defective or where special security arrangements may be



needed.

- 9.2. Keys to safes and similar receptacles are not to be left in desk drawers or elsewhere in the office, but are to be subject to the personal responsibility of the keyholder at all times; a register of keys and their holders must be kept by each Director; the loss of any such keys must be reported to the Director of Corporate Services forthwith.
- 9.3. Directors responsible for computer installations or other records of any kind shall be responsible for maintaining proper security and privacy in respect of information held.

## **10. Building and Civil Engineering Contracts**

- 10.1. The Director of Development and Environment shall maintain a register of all Building and Civil Engineering Contracts for which a formal contract has been prepared between the Council and the Contractor or for Contracts entered into with the Department of Community Services. The Borough Solicitor shall notify him/her of all contracts entered into. All contracts made on behalf of the Council are subject to the Council Procedure Rules and as such formal contracts are not required for sums below the value defined in the Contracts Procedure Rules.
- 10.2. Before a tender for building or civil engineering work is accepted, the Director concerned shall :-
  - 10.2.1. be satisfied that all approvals and documents relating thereto are complete and correct in all respects; and
  - 10.2.2. give the Director of Corporate Services, in suitable cases, an opportunity to examine the financial capacity of the tenderer to undertake the contract in accordance with the Contracts Procedure Rules.
- 10.3. Every variation of or addition to a contract shall be notified to the contractor in writing by the responsible Director. All such notifications shall be made available to the Director of Corporate Services.
- 10.4. The prior approval of Cabinet shall be obtained to any variations to a contract involving the Council in an additional payment of 10 per cent or more or £50,000, whichever is the lower, of the accepted tender figure. Exceptions can occur in circumstances where the cost of a variation cannot be established until work has been completed; or the cost of a number of individual variations would increase the tender figure by 10 per cent or more. In such cases the written approval of the Director of Development and Environment (following consultation with the client department) must be obtained for the work to continue. In all cases the action taken shall be reported to Cabinet. The above shall apply to any project awarded to the Department of Community Services as a result of a tender or contract extension.
- 10.5. Interim payments to contractors must be signed by an authorised Officer of the appropriate Department, or a private consultant where engaged by the Council in that capacity. The certificate must identify the contract sum, the value of work executed to date, deduction for retention and sums paid to date, and the amount now certified.

- 10.6. The Director of Corporate Services or his/her duly authorised representative shall, after receiving the permission of the Contractor through the relevant Director, have the authority to visit sites where contracts are in progress.
- 10.7. The final payment on a contract shall not be authorised until the final account has been completed and agreed by the Contractor and the Council's authorised Officer. The Director of Corporate Services reserves the right to examine any final account and supporting documents before agreeing the certified amount.
- 10.8. The responsible Director shall report the final account of completed schemes to Cabinet within eighteen months of the work being completed. A report detailing delays in the completion of final accounts within the eighteen months period should be submitted by the Director where appropriate. Where the cost of a scheme exceeds the approved estimate, a report should be made to Cabinet.
- 10.9. The Director of Community Services shall keep a register of all main works contracts entered into with sub-contractors. All engagements of sub-contractors by the Department of Community Services shall be subject to the Contracts Procedure Rules.

## **11. Control of Income**

- 11.1. In conjunction with the Director of Corporate Services, each Director shall make and maintain adequate arrangements for :-
  - 11.1.1. the financial organisation, accounting and book-keeping necessary to ensure the proper recording of all sums due to the Council; and
  - 11.1.2. the collection, control, disposal and prompt and proper accounting for all cash in all Council departments including sums due to the Council in respect of sponsorship.
- 11.2. No deduction may be made from monies due to be paid to the Director of Corporate Services or to bank except as the Director of Corporate Services may specifically authorise.
- 11.3. All financial stationery shall be ordered and controlled by the Director of Corporate Services. Exceptions will only be allowed on the agreement of the Director of Corporate Services and must be subject to arrangements approved by him/her.
- 11.4. Each Director shall provide promptly such particulars of charges for work done, goods supplied or services rendered on behalf of the Council and of all other amounts due, as the Director of Corporate Services may require in order to ensure that there is a prompt recording and receiving of all sums due to the Council.
- 11.5. At all times, such charges for work done, goods supplied or services rendered must be calculated and supported by reference to the Council's Guidance on Credit Management.
- 11.6. The Director of Corporate Services shall write off sums up to £500 on debts which he/she considers that further action would be inappropriate after all appropriate

recovery procedures have been attempted. Any other sums shall not be written off in the Council's records without the authority of Cabinet.

11.7. Personal cheques shall not be cashed out of money held on behalf of the Council.

11.8. All grant claims by the Council to any Government department or other organisations shall be made by the Director of Corporate Services, or by arrangement with him/her.

## **12. Orders for Work, Goods and Services**

12.1. The Director of each department is responsible for official orders issued from his/her department and he/she shall ensure that resultant expenditure is in accordance with the expressed policy, with respect to Contracts Procedure Rules and the Financial Procedure Rules of the Council, and European Commission directives and is provided for in the annual budget approved by the Council.

12.2. Official orders are to be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments such as rent and rates, for petty cash purposes or such other exceptions as the Director of Corporate Services may approve. Where, in an emergency, it is necessary to place a verbal order, an official order shall be sent not later than the next working day.

12.3. Several written quotations should be obtained for major purchases of goods or execution of works where the Council's Procedure Rules do not apply (i.e. currently under £75,000). Quotations should be submitted in plain sealed envelopes marked 'Tender for . . . . . ' and showing the closing date for receipt and should be opened and initialled by two nominees of the relevant Director. The lowest quotation shall be accepted by the relevant Director in all cases except where another quotation is considered to provide better or equal value. There should be proper justification for any departures from this procedure e.g. purchases of a specialist nature where only one firm can supply, use of other local authority contracts, small items of expenditure.

12.4. The purchase of personal social services for individual clients shall be approved by the Director of Social Services up to the value of £75,000 per client per annum.

12.5. Orders are to be authorised only by Officers sanctioned by the appropriate Director. A list of such authorised Officers shall be supplied to the Director of Corporate Services or his/her representative.

## **13. Certification and Payment of Accounts**

13.1. The Director of the Department issuing an order shall be responsible for the examination, verification and certification of the relevant invoices. Before certification the certifying Officer should be satisfied that :-

13.1.1. the goods or services have been received, in accordance with the order or contract, examined and approved as to quality and quantity; or the work has been done satisfactorily;

- 13.1.2. the prices are reasonable or in accordance with accepted quotations or tenders and that the calculations, discounts and tax are correct;
  - 13.1.3. the invoice is processed against the correct supplier reference and expenditure code;
  - 13.1.4. the expenditure has been properly incurred and is within the relevant budget provision;
  - 13.1.5. entries have been made in the appropriate records, inventories, stores records or stock books; and
  - 13.1.6. that the account has not previously been passed for payment.
- 13.2. Invoices are to be authorised by Officers sanctioned by the appropriate Director. A list of such authorised Officers shall be supplied to the Director of Corporate Services or his/her representative.
  - 13.3. Any amendment to an account shall be made in ink and initialled by the Officer making it, stating briefly the reasons where they are not self evident.
  - 13.4. Invoices received shall be processed without delay and in accordance with the relevant performance indicator. The Director of Corporate Services shall examine them so far as he/she considers necessary and he/she shall be entitled to receive such information and explanations as he/she may require.
  - 13.5. The Director of Corporate Services shall pay, at suitable frequencies, all accounts which he/she is satisfied are in order.

#### **14. Imprest Accounts**

- 14.1. The Director of Corporate Services may make imprest advances to Officers for the payment of minor expenses of the Council.

#### **15. Salaries and Wages**

- 15.1. The payment of all salaries, and other emoluments to Council employees shall be made by the Director of Corporate Services or under arrangements approved and controlled by him/her.
- 15.2. The Director of Corporate Services shall be provided, as soon as possible, with all relevant information to effect the payment of such emoluments and to maintain records of salaries, and deductions therefrom.
- 15.3. All time records or other pay documents shall be in a form prescribed or approved by the Director of Corporate Services and shall be certified in manuscript by or on behalf of the relevant Director. All such authorised signatories including any amendments, shall be notified to the Director of Corporate Services.

15.4. All Chief Officers have delegated powers to make 'ex-gratia' payments (e.g. for the loss of personal equipment) up to £1,000.

## **16. Stores and Stores Accounts**

16.1. Each Director shall be responsible for the care and custody of stores required for his/her department and all stores received and issued shall be properly recorded. No articles or goods shall be removed from any stores without an official requisition signed by an authorised person.

16.2. Stores accounts, physical stores and records shall be kept in a form to be approved by the Director of Corporate Services, and shall be subject to his/her examination and check at such times as he/she thinks fit.

16.3. Directors shall arrange for stocktaking on a continuous basis with the objective of checking all stores at least once in every year. In addition, Directors shall arrange for independent test checks by persons other than storekeepers. A certificate of stocks held must be presented to the Director of Corporate Services by the Director concerned at the end of each financial year.

16.4. The Director of Corporate Services has delegated powers to write off any surplus or deficiencies in respect of any one item of stock on a report of the Chief Officer concerned.

16.5. Stores shall not be held in excess of reasonable requirements.

16.6. All Chief Officers have delegated powers to dispose of obsolete, redundant or worn-out equipment.

## **17. Inventories**

17.1. Inventories of furniture, equipment, computer hardware, plant and machinery other than stores shall be maintained by the Director of the department concerned and kept up to date. The form and extent of such inventories shall be as approved by the Director of Corporate Services.

17.2. Each Director shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses and deficiencies, noting the inventory accordingly and notifying the Director of Corporate Services.

17.3. The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business, or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Director concerned.

17.4. All relevant assets belonging to the Council should be effectively marked as the property of the Council. Items leased or loaned should be marked accordingly.

## **18. Terrier of Land and Property**

- 18.1. The Director of Development and Environment shall maintain a terrier of all land and property owned by the Council (except dwellings provided under the Housing Acts) recording location, extent and the plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.
- 18.2. The Director of Corporate Services shall maintain an asset register for Capital accounting purposes of land and buildings.
- 18.3. The Borough Solicitor shall have the custody of all title deeds and be responsible for their security.
- 18.4. All proposals involving the sale of land and property should be submitted to Cabinet for approval. All land transactions shall be in detail in accordance with the Property Procedure Rules.

## **19. Banking Arrangements and Cheques**

- 19.1. All arrangements with the Council's bankers concerning the Council's banking accounts and issue of cheques shall be made by or under arrangements approved by the Director of Corporate Services.
- 19.2. The Director of Corporate Services shall arrange bank overdraft facilities subject to Cabinet authorisation of any increase in the overdraft limit.
- 19.3. All cheques drawn on behalf of the Council shall be signed (in manuscript or facsimile) by the Director of Corporate Services or such other Officer as he/she may authorise.
- 19.4. Cheques will be dispatched by the Team Leader, Collection in Exchequer Services to the persons entitled to receive them. Exceptions to this arrangement must be strictly limited in accordance with the arrangements determined by the Director of Corporate Services.
- 19.5. All new cheques shall be ordered only on the authority of the Director of Corporate Services or such other Officer as he/she may authorise.

## **20. Treasury Management**

- 20.1. This Council defines its treasury management activities as :-

*“The management of the organisation's cashflow, its banking, money market and capital market transactions; the effective management of risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

- 20.2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

- 20.3. This Council acknowledges that effective treasury management will provide towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance techniques within the context of effective risk management.
- 20.4. Cabinet shall be responsible for monitoring the Treasury Management Policy. The Director of Corporate Services is authorised to make all necessary arrangements for borrowing and investments in accordance with this Council's Treasury Policy Statement.
- 20.5. The Council has also adopted the key recommendations of CIPFA's Treasury Management in the Public Services Code of Practice. A copy of those recommendations is contained in **Annex 1**.

## 21. Leasing

- 21.1. The Director of Corporate Services and the Director of Community Services, as appropriate, shall be responsible for the negotiation and management of operating and finance leasing agreements. Leased items must only be disposed of in accordance with the leasing instructions.
- 21.2. All Directors have delegated powers to enter into operating leases.

## 22. Insurances

- 22.1. The Director of Corporate Services, in consultation with Directors, shall effect all necessary insurances and for this purpose Directors shall notify the Director of Corporate Services immediately and in writing of all risks which should be covered by insurance and of all property acquired, rented, leased or disposed of under their control which should be insured and should advise the amount of cover for which new insurances need to be affected or any alterations required in existing insurances.
- 22.2. Each Director shall immediately notify the Council's insurers in writing with full particulars of any occurrence involving actual or potential loss to the Council or arising out of which a claim may be made by or against the Council which is covered by insurance and shall furnish as soon as possible an estimate of the cost of making good the damage. No admission of liability, waiver of rights or promise of payment shall be made without the written consent of the Borough Solicitor.
- 22.3. The Director of Corporate Services, in consultation where necessary with Directors, is authorised to settle all claims on the Council's Insurance Fund.
- 22.4. The Director of Corporate Services shall annually, or at such other period as he/she may consider necessary review all insurances in consultation with other Directors as appropriate.
- 22.5. Fidelity guarantee insurance shall be effected by the Director of Corporate Services in respect of all Council employees.

## **23. Computer Systems and Data Processing**

- 23.1. All documents relating to financial matters and to be used for submitting data for computer processing shall be in a form approved by the Director of Corporate Services.
- 23.2. The development of new systems holding personal data or changes to current systems affecting personal data must be notified to the Head of Human Resource Management under the Data Protection Act 1986 prior to the implementation of such systems.
- 23.3. All Directors must observe the Council's corporate I.T. strategy and must maintain close liaison with the Corporate I.T. Unit on the purchase, security and control of hardware, software and communications equipment.
- 23.4. Physical security, use and control of such equipment and systems is the responsibility of the Director where the equipment is located in accordance with arrangements agreed by the Director of Corporate Services.

## **24. Gifts, Hospitality, Clients and Contractors**

- 24.1. The receipt of personal gifts should be discouraged, but if an Officer during the course of, or as a result of, official duties, receives any personal gift, other than one of only token value, the matter must be reported to the Director of the Service, who will decide if the item is to be returned, or forwarded to some charitable cause. In that event the Director should inform the donor what has happened to the gift and explain the reason why gifts should not be sent in the future.
- 24.2. Each Director must maintain a departmental record of all gifts received and action taken.
- 24.3. The Director of Corporate Services shall maintain a central record of all gifts received and action taken.
- 24.4. Hospitality must only be given or accepted where it is on a scale appropriate to the circumstances, reasonably incidental to the occasion, not extravagant and justifiable in the public interest. It must be apparent that no cause could reasonably arise for adverse criticism or suggestion of improper influence about the acceptance of the hospitality. The circumstances and type of hospitality is to be recorded in a central record maintained by the Director of the Service.
- 24.5. Officers who are, in accordance with the Conditions of Service, permitted to carry out private or other paid work must not do so during Council time, nor must they use any Council premises, resources or facilities for the execution of such work. No stationery or publicity material is to indicate that the person is a Council employee nor should the address or any telephone number of the Council be stated. Officers must declare to their Director in writing the nature and duration of such work.
- 24.6. Officers must not work for any current or prospective supplier or contractor to the Council.



24.7. Further information about gifts, hospitality etc. is contained in the Code of Conduct for Employees and Confidential Reporting Policy and in procedural guidelines circulated from time to time.

## **25. Partnership Working**

25.1. The Council's definition of a partnership is :-

“An agreement between two or more independent bodies to work collectively to achieve an objective”.

25.2. The scope is, therefore, very wide but for clarification this definition does not apply to groups where the Council has direct control over budgets and decision making; informal discussion/consultation groups; commercial agreements covered by a contract or SLA, including PFI arrangements, shared service delivery and procurement partnerships; and other arrangements covered by a formal legal agreement such as those for joint service delivery between public bodies.

25.3. A partnership working toolkit adopted by the Council is available in electronic format through the intranet and provides a means to ensure that :-

25.3.1. the Council's resources are effectively employed

25.3.2. the performance of each partnership is monitored

25.3.3. adequate governance arrangements are in place

25.4. The toolkit comprises an on-line questionnaire and must be completed by the lead officer for each partnership. Responses populate a central partnership database that determines which partnerships are classed significant. Each lead officer receives an action plan on completion of the questionnaire highlighting any issues that must be addressed.

25.5. The partnership database is monitored by the Insurance and Risk Management Section to ensure that the data is updated at least annually and that appropriate actions are taken upon identified issues to address.

25.6. The Chief Executive of Darlington Partnership will lead on an annual review of significant partnership that will be reported to Cabinet.

25.7. The creation of all new partnership will require approval by both the responsible Director in consultation with the relevant Cabinet Portfolio Holder and the Chief Executive of the LSP and for those classed significant, approval from Cabinet.

## **26. Local Management of Schools**

### **Financial Regulations**

The scheme for local management of schools requires Financial Regulations to apply to Governing Bodies, Head Teachers and staff of schools with delegated budgets. The Regulations applying to schools are included in the Scheme for Financing Schools and accompanying guidance.

# Darlington Borough Council

## Anti-Fraud & Corruption Policy Statement

### *1 Introduction*

Darlington Borough Council is determined to maintain its reputation as an Authority which will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

The purpose of this Policy Statement is to set out for members and employees of the Council the main principles for countering fraud and corruption.

The Policy statement includes:-

- the scope;
- the culture and the stance against fraud and corruption;
- how to raise concerns and report financial malpractice;
- the principle of having a Council anti-fraud & corruption strategy;
- the responsible employee.

Elected Members, and employees, should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will function, and the promotion of an anti-fraud culture across the whole of the Council. This should provide a sound defence against internal and external abuse of public funds.

This Statement also reflects the principles of the Nolan Committee.

Part of the External Auditor's statutory duties are to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

The relevant definitions are as follows;

- Fraud is the "intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain".
- Corruption is the "offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person".

### *2 Scope*

This Policy Statement applies to elected members, co-opted members of committees, and all employees who work for the Council.

With regard to others who provide services for the Council, the Nolan Committee reiterated a fundamental principle in its report on the "Standards of Conduct in Local Government" 1997, which was:-

"Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both the user and taxpayer regardless of the status of the service provider".

Therefore, the Council expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) that it deals with will act with integrity and without thought or actions involving fraud and corruption. Where relevant, the Council will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts are most likely to lead to a termination of the particular contract and may lead to prosecution.

The Anti-Fraud & Corruption Policy Statement and Strategy are commended to the Council's schools governing bodies, with the expectation that they will be adopted.

### ***3 Culture and Stance Against Fraud & Corruption***

Responsibility for an anti-fraud culture is the joint duty of all those involved in giving political direction, determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted against the Council from outside or from within its own workforce.

The Council expects that Members and employees at all levels will lead by example in ensuring adherence to legal requirements, contract procedure rules, financial procedure rules, codes of conduct, other procedures and practices.

As part of this culture, the Council will provide clear routes by which concerns can be raised by both Members and employees, and those outside who are providing, using or paying for public services.

Senior Management is expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Council, including Members, senior management and governors, should be robust in dealing with financial malpractice.

The Council also has in place two Committees whose monitoring roles are relevant

- The Standards Committee, which sets and monitors standards of conduct, and includes independent members who are neither Councillors nor Employees.
- The Resources Scrutiny Committee which scrutinises the way in which the Council's Financial and Human Resources are controlled and deployed.

### ***4 Raising Concerns***

Although this document specifically refers to fraud and corruption, it equally applies to all financial malpractice. This includes a wide range of irregularities and criminal acts that are financial or finance-related. It includes, for example, the criminal acts of theft of "property", which includes all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; computer abuse and computer crime. Also, it includes bribery and corruption. Employees and Members can be exposed to a number of "pressures", from contractors, landlords, the public etc. to act in a particular way in a particular case; this may involve "favouritism" regarding the access to all kinds of services and benefits (e.g. grants, awards, benefits, council housing, or gaining contracts, planning permission, etc.).

Members and employees are an important element in the Council's stance on fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the Council's activity.

Employees should normally raise concerns through their immediate manager, who will inform the Director of Corporate Services and their Director, if different. However it is recognised that they may

feel inhibited in certain circumstances. In this case, employees and members should contact either the Chief Executive, the Director of Corporate Services or the Borough Solicitor. The Council's Confidential Reporting ("Whistleblowing") Policy gives further guidance on how to raise concerns and it gives details about the support and safeguards that are available to those that do raise concerns.

Concerns will be treated in confidence, properly investigated and dealt with fairly.

There is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.

### ***5 Anti-Fraud & Corruption Strategy***

This Policy Statement forms an important part of the Anti-Fraud & Corruption Strategy by setting out the tone, culture and expectations of the Council, as part of the corporate framework.

The Strategy itself details such key features as the corporate framework, prevention, detection and investigation, training and deterrence.

### ***6 The Responsible Officer***

Under Section 151 of the Local Government Act 1972 and Regulation 5 of The Accounts and Audit Regulations 2003 (S.I. No.533), the "Responsible Financial Officer" (i.e. the Director of Corporate Services) is responsible for ensuring that the Council has control systems and measures in place "to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records". An Anti-Fraud & Corruption Policy Statement and Strategy helps towards discharging part of this responsibility.

Also, under Regulation 6 of The Accounts and Audit Regulations 2003, the Council has delegated to the Director of Corporate Services, the responsibility for maintaining "an adequate and effective system of internal audit of the Council's accounting records and its systems of internal control in accordance with proper internal audit practices", together with the statutory right of access to documents, records, information and explanations considered necessary for that purpose.

Accordingly, the Director of Corporate Services will:-

- take overall responsibility for the maintenance and operation of this Policy;
- maintain records of financial malpractice, including concerns and allegations received; matters arising from audits; investigations and evidence; and the outcomes;
- report as necessary to the Council

# Darlington Borough Council

## Anti-Fraud & Corruption Strategy

### *1 Introduction*

1.1 The Council's Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts affecting the Council.

1.2 An effective Strategy will require support across the Council and involves:

- A Corporate Framework;
- Prevention (of error, irregularities, fraud and corruption);
- Detection and Investigation;
- Training;
- Deterrence.

### *2 Corporate framework*

2.1 The Corporate Framework requires a whole range of high level component parts, if it is to contribute to the Council having an effective counter-fraud strategy, and some of the key ones include:-

- An Anti-Fraud & Corruption Policy Statement which emphasises the importance of probity to all concerned;
- Member support;
- Codes of conduct for Members and Employees;
- Protocol for Members on Gifts and Hospitality
- Proceeds of Crime Act (Anti-Money Laundering) Policy
- Confidential Reporting ("Whistleblowing") Policy, and Complaints Procedures;
- Benefits Anti-Fraud Policy, Strategy and Sanctions Policy.
- Contracts Procedure Rules and Financial Procedure Rules;
- IT Security Policy
- Sound internal control systems, procedures and reliable records;
- Effective internal audit;
- Effective recruitment procedures;
- The Council's Disciplinary Procedure;
- The Regulation of Investigatory Powers (RIPA) Procedure
- Clear responsibilities, accountabilities and standards;

- Induction and training.

### **3 Prevention**

3.1 Within the overall corporate framework there are a number of key people and measures which can help in the prevention of fraud and corruption, and these are:

- Employees of the Council;
- Members;
- Internal Control Systems;
- Combining with Others to Prevent and Fight Fraud.

#### **Employees of the Council**

3.2 A key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of their propriety and integrity. In this regard, temporary staff should be treated in the same manner as permanent employees.

3.3 Employee recruitment should be in accordance with procedures laid down by the Head of Human Resource Management. Whenever possible, written references should be obtained with specific assurances regarding the known honesty and integrity of potential employees before formal employment offers are made.

3.4 All employees must abide by the Council's Code of Conduct for Employees, which sets out the Council's requirement on personal conduct. This Code forms part of the Employee Handbook and is referred to in all Contracts of Employment. Employees of the Council are expected to follow any code of conduct related to their personal Professional Institute.

3.5 The Council has in place employee disciplinary procedures. Any breach of conduct will be dealt with under these procedures and may result in dismissal.

3.6 Employees are reminded under the Council's Contracts Procedure Rules that they must operate within Section 117 of the Local Government Act 1972, regarding the disclosure of pecuniary interests in contracts relating to the Council or the non-acceptance of any fees or rewards whatsoever other than their proper remuneration. These requirements are set out in the Council's Code of Conduct for Employees.

3.7 The Borough Solicitor is the appointed Monitoring Officer in line with the Local Government and Housing Act 1989. As part of this role, the Borough Solicitor has overall responsibility for the maintenance and operation of the Authority's Confidential Reporting (“Whistleblowing”) Policy.

#### **Members**

3.8 Members are required to operate within:

- The Council's Code of Conduct for members;
- Local Authorities Members' Interest Regulations 1992 (SI 618); SI 1996/121.5
- Council Rules of Procedure.

3.9 These matters and other guidance are specifically brought to the attention of Members at the induction course for new Members and are in each Member's Handbook; they include rules on the declaration and registration with the Chief Executive of potential areas of conflict between Members' Council duties and responsibilities and any other areas of their personal or professional lives.

3.10 The Authority has in place a Standards Committee, which promotes high standards of member conduct and assists members to observe the code of conduct.

### **Internal Control Systems**

3.11 The Council has Contracts Procedure Rules, Financial Procedure Rules and various rules and codes of conduct in place that provide a requirement on employees, when dealing with the Council's affairs, to act in accordance with best practice.

3.12 The Director of Corporate Services has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs. In addition, under the Accounts & Audit Regulations 2003 as the "responsible financial officer", he is required to determine the accounting control systems which include:

- "measures to enable the prevention and detection of inaccuracies and fraud",
- "identification of the duties of employees dealing with financial transactions and the division of responsibilities of those employees in relation to significant transactions".

The latter requirement is a key control in the prevention of impropriety.

3.13 The Council's aim is to have sound financial systems and procedures which incorporate efficient and effective internal controls. As part of the Strategy, the "separation of duties" should be considered as a fundamental control in systems, especially when involving significant transactions.

3.14 Under the Council's Financial Procedure Rules, Directors are responsible for ensuring that adequate controls are in place. The existence, appropriateness, and effectiveness of these internal controls is independently monitored and reported upon by the Council's Internal Audit Section.

### **Combining with Others to Prevent and Fight Fraud**

3.15 The Council is committed to exchanging information with other local and national agencies in order to identify and prevent fraud. Such activity is carried out in full compliance with the Data Protection Act 1998 and with the Code of Practice for National Fraud Initiative Data Matching Exercises and includes providing payroll information to other agencies for data matching purposes. Any employee found to be perpetrating fraud on another local or national agency is liable to face disciplinary action where this has implications for the Council's trust and confidence in the employee. In certain cases disciplinary action could lead to dismissal.

3.16 The Council operates the Verification Framework (VF) in line with central government initiatives to reduce benefit fraud.

3.17 The Council also participates in an intelligence gathering, collation and dissemination service on fraud and corruption known as the National Anti-Fraud Network (NAFN) and is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) Better Governance Forum.

## **4 Detection and Investigation**

4.1 It is the responsibility of Directors and their managers to prevent and detect fraud and corruption.

4.2 In addition, Internal Audit and External Audit will liaise closely and implement a cyclical programme of audits which will test for fraud and corruption.

4.3 However, despite the best efforts of managers and auditors, many frauds are discovered by chance or "tip-off". It is often the alertness of employees and the public that enables detection to occur. In such cases there is a requirement within the Council's Financial Procedure Rules to inform the Director of Corporate Services.

4.4 The Anti-Fraud & Corruption Policy Statement provides a clear path for raising concerns and facilitating "tip-offs", and the fraud-response arrangements, outlined in this Strategy, enable such information or allegations to be properly dealt with. The Council's Proceeds of Crime Act (Anti-Money Laundering) and Confidential Reporting "Whistleblowing" Policies also gives advice on how to raise a concern and the safeguards and support that are available to those who raise concerns.

4.5 All Allegations of fraudulent activity notified to the Director of Corporate Services are considered by Internal Audit. Some are followed up with a full investigation, others are better dealt with as a management issue. However, in order that appropriate action can be taken in each case it is vital to;

- report allegations swiftly
- record all evidence that has been received;
- ensure that evidence is sound and adequately supported;
- make secure all of the evidence that has been collected;
- refer, where appropriate, to the Council's disciplinary procedures;

4.6 Reporting suspected irregularities is essential to the Anti-Fraud and Corruption Strategy and ensures:-

- consistent treatment of information regarding fraud and corruption;
- proper investigation, if necessary, by an independent and experienced audit team;
- the optimum protection of the Council's interests.

4.7 Depending on the nature and anticipated extent of the allegations, Internal Audit will normally work closely with management, HR, legal etc., and other agencies, such as the Police. This is to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council.

4.8 The Council's disciplinary procedures will be used to the fullest extent where the outcome of the Audit investigation indicates that fraud has taken place.

4.9 Where financial impropriety is discovered, the Council's presumption is that the Police will be called in. The Crown Prosecution Service determine whether or not a prosecution will be pursued. Referral to the Police is a matter for the Director of Corporate Services and the relevant Director. Various employees will be consulted during investigations and the Chief Executive will be kept informed of referrals to the Police. Referral to the Police will not inhibit action under the disciplinary procedure.

4.10 The Council's External Auditor also has powers to independently investigate fraud and corruption, and the Council can use his services for this purpose too.

## **5 Training**

5.1 The Council recognises that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training, communication and responsiveness of employees throughout the organisation.

5.2 To facilitate this, the Council supports the concept of full induction, training and follow-up training; this applies particularly to employees involved in internal control systems and financial and finance-related systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced, and to casual, temporary and agency staff, who may not be aware of the high standards of probity that are required in the public sector.



5.3 The Council intranet will be utilised to promote the Anti-Fraud and Corruption Policy and Strategy and associated documents, procedures and information.

5.4 The review of the Council's internal control systems and the investigation of fraud and corruption centres on Internal Audit, apart from the investigation of fraudulent Housing Benefit claims which rest with Housing Benefits Investigation Team.

5.5 The employees involved in the review of internal control systems and investigative work should be properly and regularly trained; the training plans of Internal Audit and the Housing Benefits Investigation Team will reflect this requirement.

## **6 Deterrence**

6.1 There are a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts, whether they are inside and/or outside of the Council, and these include:-

- Publicising the fact that the Council is firmly set against fraud and corruption and states this at every appropriate opportunity - e.g., clause in contracts, statements on benefits claim forms, website, publications etc.;
- Acting robustly and decisively when fraud and corruption are suspected and proven - e.g., the termination of contracts, dismissal, prosecution etc.;
- Taking action to effect the maximum recoveries for the Council - e.g. through agreement, Court action, penalties etc.;
- Having sound internal control systems, that still allow for innovation, but at the same time minimising the opportunity for fraud and corruption.
- The operation and advertising of a Benefit Fraud Hotline.

## **7 Conclusion**

7.1 The Council has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both prevention and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

7.2 To this end, the Council maintains a continuous overview of such arrangements, in particular, through the roles of the Monitoring Officer and Director of Corporate Services, the Contract and Financial Procedure Rules, codes of Conduct and various codes of financial practice, accounting instructions and audit arrangements.

7.3 Both the Policy Statement and Strategy will be subject to review annually by the Director of Corporate Services to ensure that they remain current

**TREASURY MANAGEMENT IN THE PUBLIC SERVICES: CODE OF PRACTICE**

**CLAUSES TO BE FORMALLY ADOPTED**

Clause 1.

***This organisation adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice as follows:***

Key recommendation 1

This Council shall put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Recommendation 2

That policies and practices should make clear that the effective management and control of risk are prime objectives of the treasury management activities.

Key Recommendation 3

This Council acknowledges that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, treasury management policies and practices shall reflect this.

Key Recommendation 4

In order to achieve the above, the council shall

- i. adopt a treasury management policy statement
- ii. follow the recommendations concerning the creation of Treasury Management Practices (TMP)

Clause 2

***Accordingly this Council will create and maintain, as cornerstones for effective treasury management:-***

-a Treasury Management Policy statement, stating the policies and objectives of its treasury management activities

-suitable Treasury Management Practices (TMPs), setting out the manner in which this council will seek to achieve those policies objectives, and prescribing how it will manage and control those activities.

### Clause 3

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, and an annual report after its close, in the form prescribed in its TMPs

### Clause 4

This Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Director of Corporate Services, who will act in accordance with the organisation's policy statement and TMPs and if he/she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*