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# FINANCIAL REGULATIONS – JULY 2013

## 1.0 INTRODUCTION

- 1.1 The Council has a legal responsibility to make proper arrangements for the administration of its financial affairs, and must appoint an employee to undertake that responsibility. The employee so appointed is the Executive Director (Resources and Support Services). In addition, since public money is involved, the Council should be able to demonstrate that Members and Employees are acting with openness, integrity and accountability.
- 1.2 The Financial Regulations of Newcastle under Lyme Borough Council as set out in the following pages are aimed at achieving four main objectives:
- To maintain sound and proper financial records, procedures, and arrangements for the administration of all the Council's financial affairs.
  - To demonstrate to the public that proper safeguards and controls exist.
  - To assist employees and Members in their delivery of services to the public.
  - To safeguard Members and employees by giving them procedures to follow which ensure that the Council's expected standards are met in terms of managing public money and assets. In addition, employees can feel confident that they will have no difficulty in explaining their actions to Auditors, the Cabinet, Committees, Executive Management Team, Service Managers or the public, if they have followed Financial Regulations.
- 1.3 All Members and employees have a personal responsibility for taking reasonable action to provide for the security of the assets under their control, for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value. This should be done whilst acting in accordance with these regulations.
- 1.4 The Executive Director (Resources and Support Services) is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the Council. The Executive Director (Resources and Support Services) is also responsible for reporting, where appropriate, breaches of Financial Regulations to the Cabinet and the Council.
- 1.5 The Council's detailed financial procedures, setting out how the key regulations will be implemented, are shown as procedural regulations.
- 1.6 Directors are responsible for ensuring that all employees in their departments are aware of the existence and content of the Council's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that their staff have access to the Regulations, either via the Council's Intranet or, where appropriate, through the provision of hard copies.
- 1.7 The Financial Regulations have been divided into five areas reflecting the latest model regulations published by CIPFA. They are:
- Financial Management;
  - Financial Planning;
  - Risk Management and Control of Resources;
  - Financial Systems and Procedures;
  - External Arrangements.

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For each of these there are key regulations and procedural regulations. Compliance to all is required. The procedural regulations are more detailed describing the actions required to ensure compliance with the key regulations. The key regulations relating to all five areas are set out first, followed by the procedural regulations relating to them.

- 1.8 Financial regulations and procedures must be capable of a clear "legal" interpretation. They have been written in a formal manner and **it must be remembered that it is the actual regulation and procedure that must be understood and observed**. In an effort to remove some of the complexities, each section of the booklet is followed by an explanatory note, which conveys the "spirit" of the regulations. It is hoped that

readers will find this helpful. **However, the explanatory notes do not form part of the Financial Regulations.** In addition where it is felt that a particular expression used in the regulations requires further definition, this has been provided in a Glossary to be found at the end of the regulations.

- 1.9 If you are in any doubt at all over compliance with a Financial Regulation, please consult the Financial Management Section or Internal Audit.
- 1.10 Any reference in the Council's Financial Regulations to "the Cabinet" shall be deemed also to include any Sub-Committees of the Cabinet which may be given power to determine relevant matters.
- 1.11 Any reference in the Council's Financial Regulations to words denoting the masculine gender shall be deemed also to include reference to the feminine, and vice versa.
- 1.12 Wherever the Council acts in a trustee capacity regarding the affairs of charities and other bodies, these Financial Regulations shall apply.
- 1.13 Reference to approvals may include approval by email in appropriate cases where authorisation has been obtained from the Executive Director (Resources and Support Services).

**Revenue budget, preparation, monitoring and control**

Bb18 Directors shall seek to identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery. Directors shall notify the Executive Director (Resources and Support Services) of all such efficiency savings made or proposed to be made to assist in the calculation of any efficiency savings indicators.

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**Audit requirements**

**Internal audit**

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Internal Audit shall be independent in its planning and operation. The Audit Manager shall have direct access to the Head of Paid Service, all levels of management and to elected Members. Internal Auditors shall comply with the Public Sector Internal Audit Standards (PSIAS) as interpreted by the Chartered Institute of Public Finance and Accountancy's Application note.

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**Income and Expenditure**

**Recording and notification of sums due**

Dd6 Cash payments in excess of £2,000 will not be accepted by the Council. Other payments in excess of £2,000 that are not paid directly to the bank shall only be received at the Civic Offices or Guildhall via the payment machines or the designated cashier.

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