

Part 4
Section 5

Financial Regulations

Approved by the Regulation, Audit and Accounts Committee
at its meeting on 23 July 2018

July 2018

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Part 4 Section 5

Financial Regulations

Financial Regulation A - General

1. General Introduction

- 1.1 The Financial Regulations and Financial Procedures of the County Council are intended to help the County Council exercise its statutory financial responsibilities, safeguard its finances and assets, and ensure the proper record keeping and reporting of its financial accounts. The Financial Regulations form part of the Council's Constitution while the Financial Procedures are held outside of the Constitution.
- 1.2 Any changes to Financial Regulations will be drawn up jointly by the Director of Finance, Performance and Procurement and Director of Law and Assurance and approved by the Regulation, Audit and Accounts Committee in the light of advice from the Governance Committee.
- 1.3 Any employee who knowingly or by negligence breaches the Financial Regulations may be subject to disciplinary action and in some instances may incur criminal liability.
- 1.4 The regulations also apply to persons who are carrying out the business of the County Council but are employed by any contractor, partner or other organisation acting for the County Council.
- 1.5 The Director of Finance, Performance and Procurement, in consultation with the Director of Law and Assurance, may approve a departure from Financial Regulations, where he or she concludes that such action is appropriate to safeguard the interests of the County Council.
- 1.6 It is the responsibility of all Executive Directors and Directors to make all employees and other persons carrying out Council business aware of Financial Regulations.

2. Financial Management

2.1 Introduction

- 2.1.1 Financial management covers all financial accountabilities in relation to the running of the authority, including the Policy Framework, revenue and capital budgets and treasury management.

2.2 The County Council

- 2.2.1 The County Council is responsible for adopting the authority's Constitution and for approving the Policy Framework and budget within which the Executive operates. It is also responsible for approving and monitoring compliance with the County Council's overall framework of accountability and

control, and for monitoring compliance with the agreed policy and related executive decisions. The functions of the County Council are listed in Responsibility for Functions, Part 3.

2.3 The Cabinet

2.3.1 The Cabinet is the principal Executive body of the County Council. The Cabinet is responsible for proposing the Policy Framework and budget to the County Council, and for discharging Executive functions in accordance with the Policy Framework and budget including Standing Orders and the Scheme of Delegation. The role of the Cabinet is described in the Description of the Constitution, Part 2 Chapter 7.

2.3.2 Executive functions can be delegated to the Cabinet, individual Cabinet Members, County Local Committees, officers or through joint arrangements with other public bodies. The County Council's Scheme of Delegation is set out in Appendices 1-4 of the Constitution.

2.4 Regulation, Audit and Accounts Committee

2.4.1 The Regulation, Audit and Accounts Committee is responsible for reviewing the external auditor's reports including the Audit Plan and Audit Results Report. Additionally, it is responsible for reviewing internal audit's work plan and progress and can consult directly with internal and external auditors. The Committee also deals with the approval of the statutory Statement of Accounts of the County Council and the review of the Governance Framework including the system of internal control.

2.5 Director of Finance, Performance and Procurement

2.5.1 The Director of Finance, Performance and Procurement is responsible for:

- Promoting and maintaining high standards of financial conduct
- The provision of proactive advice to both Cabinet and the County Council, informing them of the financial implications of all new policies and changes of policy
- The provision of strategic financial planning and advice to the Executive and Corporate Leadership Teams, the Cabinet, other committees and member task groups
- Ensuring proper administration arrangements are in place for the Council's financial affairs
- Reporting to members on the overall budget performance and recommending corrective action
- Ensuring that the council or any officer of the council does not make any unlawful financial transaction or action
- Complying with the relevant accounting and financial procedures and standards in accordance with best accounting practices
- Agreeing and ensuring those locally managed schools and other local financial management arrangements are aligned to these regulations
- Preparing the revenue budget and capital programme
- Securing an effective internal audit function
- Treasury management and banking arrangements
- Maintaining a continuous review of the Financial Regulations and

submitting any additions or changes necessary to the Regulation, Audit and Accounts Committee

- Issuing advice and guidance to underpin the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow
- The maintenance of reserves, accounting policies, records and returns and the annual statement of accounts

2.5.2 The Director of Finance, Performance and Procurement has statutory duties in relation to the financial administration and stewardship of the County Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Local Government Act 2003
- The Accounts and Audit Regulations 2015
- Local Government Pension Scheme Regulations 2013 and The Local Government Pension scheme (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

2.5.3 Section 114 of the Local Government Finance Act 1988 requires the Director of Finance, Performance and Procurement to report to the County Council, the Cabinet and external auditor if the County Council or one of its officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- Is about to make an unlawful entry in the County Council's accounts.

Section 114 of the 1988 Act also requires:

- The Director of Finance, Performance and Procurement to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally
- The authority to provide the Director of Finance, Performance and Procurement with sufficient staff, accommodation and other resources - including legal advice where this is necessary - to carry out the duties under section 114.

2.6 **The Chief Executive and Executive Directors**

2.6.1 The Chief Executive and Executive Directors are responsible for:

- Ensuring that Cabinet Members are advised of the financial implications of all proposals and that they have been agreed by the Director of Finance, Performance and Procurement.
- Consulting the Director of Finance, Performance and Procurement and seeking approval on any matter liable to affect the County Council's finances materially, before any commitments are incurred.

3. Other Financial Accountabilities

3.1 Budget Transfer

3.1.1 The Cabinet Member for Finance and Resources is responsible for agreeing procedures for the transfer of budget between budget headings.

3.1.2 Directors (or Executive Directors if appropriate) are responsible for agreeing in-year budget transfers within delegated limits, as set out below, in consultation with the Director of Finance, Performance and Procurement where required.

Minimum approval required	Limit for budget transfer
Key decision process applies	Over £500,000
Director(s) and Director of Finance, Performance and Procurement	Below £500,000
Director of Finance, Performance and Procurement	Technical budget transfers (eg, budget transfers to comply with proper accounting practice)
Director of Finance, Performance and Procurement	Administrative budget transfers (eg, already approved by County Council or Schools Forum)

3.2 Contingency Allocations

3.2.1 Revenue budgets and capital programmes are approved as cash-limited allocations. The presumption is that service budgets and capital programmes will not be supplemented. Any exception to that presumption is the responsibility of the Cabinet Member for Finance and Resources on receiving advice from the Director of Finance, Performance and Procurement.

3.3 Treatment of Year-end Balances

3.3.1 The Cabinet Member for Finance and Resources is responsible for agreeing the carrying forward of underspendings on budget headings, on advice from the Director of Finance, Performance and Procurement.

3.4 Accounting Policies

3.4.1 The Director of Finance, Performance and Procurement is responsible for selecting accounting policies and ensuring that they are applied consistently.

3.5 Accounting Records and Returns

3.5.1 The Director of Finance, Performance and Procurement is responsible for determining the accounting procedures and records for the authority.

3.6 The Annual Statement of Accounts

3.6.1 The Director of Finance, Performance and Procurement is responsible for ensuring that the annual statement of accounts is prepared in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom' (CIPFA/LASAAC). The Regulation, Audit and Accounts Committee is responsible for approving the annual statement of accounts.

3.7 Write Off of Debts

3.7.1 The Director of Finance, Performance and Procurement can approve the write-off of irrecoverable debts up to £15,000, in consultation with the Director of Law and Assurance.

3.7.2 Any irrecoverable debt in excess of £15,000 will require the approval of the Cabinet Member for Finance and Resources.

Financial Regulation B - Financial Planning

1. Introduction

- 1.1 The County Council is responsible for agreeing the authority's Policy Framework and budget, which will be proposed by the Cabinet. In terms of financial planning, the key elements are:
- the West Sussex Plan
 - Directorate Business Plans
 - annual service business plans
 - the revenue budget
 - the capital programme.
- 1.2 The County Council is also responsible for approving procedures for the budgets, plans and strategies forming the Policy Framework and for determining circumstances in which a decision will be deemed to be contrary to the budget or Policy Framework. Such decisions should be referred to the County Council by the Monitoring Officer.
- 1.3 The Cabinet Members are responsible for taking in-year key decisions on resources and priorities in order to deliver the Policy Framework and services within the annual budget set by the County Council.

2. Budgeting

2.1 Budget format

- 2.1.1 The general format of the budget will be approved by the County Council and proposed by the Cabinet on the advice of the Director of Finance, Performance and Procurement. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

2.2 Budget and Capital Programme Preparation

- 2.2.1 The Cabinet is responsible for issuing guidance on the general content of the budget and capital programme in consultation with the Director of Finance, Performance and Procurement.
- 2.2.2 It is the responsibility of Executive Directors to ensure that budget and capital programme estimates reflecting agreed service plans are submitted to the Cabinet and that these estimates are prepared in line with guidance issued by the Cabinet.
- 2.2.3 The Director of Finance, Performance and Procurement is responsible for ensuring that an overall revenue budget and capital programme summarising service budget estimates is prepared on an annual basis for consideration by the Cabinet, before submission to the County Council, along with a forward financial forecast in line with Government funding notifications. The Performance and Finance Select Committee considers strategic issues relating to the budget including comment on individual portfolio budgets.

The County Council may amend the budget or ask the Cabinet to reconsider it before approving it.

2.3 Budget and Capital Programme Monitoring and Control

2.3.1 The Director of Finance, Performance and Procurement is responsible for providing appropriate financial information to enable both the revenue budgets and the capital programme to be monitored effectively. He or she must monitor expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis, as part of an overall performance management reporting process. The Director of Finance, Performance and Procurement will collate and present the Total Performance Monitor to the Executive Leadership Team and Cabinet each month, including a forecast of the financial outturn at year end. This report will cover both financial and performance reporting.

2.3.2 It is the responsibility of Executive Directors and Directors to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Director of Finance, Performance and Procurement. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Director of Finance, Performance and Procurement to any problems. Any new proposal containing significant financial implications must take note of the Director of Finance, Performance and Procurement's advice as well as that of the relevant Executive Director or Director and Cabinet Member.

2.4 Capital Governance

2.4.1 The Council has an established officer governance process which ensures transparency and gives assurance to members. Officer panels receive and consider proposals and business cases, which are supported by a set of tools and procedures ('the officer handbook') to define the process for getting capital schemes approved and to manage subsequent variations, including how officers provide members with information and assurance that controls are in place alongside an audit trail that meets member expectations.

2.4.2 The same process for considering and approving projects and business cases applies whether the decision is for an officer or a Cabinet Member. A model for business cases is used, which is streamlined for less complex projects, to ensure the input is proportionate. Where a decision relating to the capital programme is also a 'key decision' (investment exceeds £500,000 or significant impact on more than one division), it will be published in the Forward Plan. The quarterly review of the capital programme will be published in the Members' Information Service and linked to the Members' Information Network database.

2.4.3 All projects have a business justification through an initial business case (for schemes that require resources to develop a detailed business case) or outline business case (where the scheme is more straightforward). These are considered for prioritisation each year ahead of recommendation to the Council for approval of the programme. Individual projects may be

considered by the Performance and Finance or relevant service Select Committees.

2.4.4 In addition to the large schemes and development projects that make up much of the capital programme, there will be routine investment plans for the core business of the Council that have block allocations. These include the schools maintenance programme, the maintenance of the Council's operational buildings, highways maintenance, the replacement of vehicles and other essential service assets. These are planned and budgeted for through asset management plans within the capital programme and will operate within the approved control totals. Their implementation is delegated to the relevant Executive Director or Director.

2.4.5 All significant or cross-portfolio changes are taken through the Total Performance Monitor and published as Cabinet Member decisions in accordance with their portfolio. The Performance and Finance and service Select Committees sees the Forward Plan, notice of capital schemes on the programme register and has access to the business cases which may therefore be subject to preview as required.

2.4.6 The monitoring of the capital programme is part of the core business of Cabinet Board on a quarterly basis with formal decisions published in accordance with constitutional arrangements. The Performance and Finance Select Committee has the same quarterly programme review.

2.5 **Resource Allocation**

2.5.1 The Director of Finance, Performance and Procurement is responsible for developing and maintaining a resource allocation process that ensures due consideration of the County Council's Policy Framework.

2.6 **Guidelines**

2.6.1 Guidelines on budget preparation are issued to Executive Directors and Directors, following advice from the Director of Finance, Performance and Procurement. The guidelines will take account of:

- legal requirements
- medium-term planning prospects
- West Sussex Plan available resources
- spending pressures
- other relevant government guidelines
- other internal policy documents
- cross-cutting issues (where relevant)
- the role of the Performance and Finance Select Committee in strategic budget issues.

2.7 **Maintenance of Reserves**

2.7.1 It is the responsibility of the Director of Finance, Performance and Procurement to advise the Cabinet and/or the County Council on prudent

levels of reserves for the authority. This duty is set out in Section 25 of the Local Government Act 2003.

2.8 Budgets Delegated to Schools

2.8.1 Revenue budgets delegated to schools under DfE Regulations are outside the scope of these regulations and are subject to the conditions set out in the Scheme for Financing Schools – Statutory guidance for local authorities - March 2018.

2.9 Fees and Charges

2.9.1 A schedule of fees and charges must be reviewed annually as part of the business planning and budget setting cycle and agreed by Cabinet Members, guided by the Director of Finance, Performance and Procurement.

2.9.2 All income properly due to the Council must be collected promptly and recorded to the Council's benefit, unless specific authority to waive, discount or write-off such income is approved through Cabinet, Cabinet Members or under delegated powers to officers.

2.9.3 Proposals to commence charging for or trading in goods or services not previously subject to charging or trading must be agreed by the relevant Cabinet Member (external charging/trading only).

Financial Regulation C - Risk Management and Control of Resources

1. Introduction

- 1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant risks to the authority. This should include the proactive participation of all those associated with planning and delivering services.

2. Risk Management

- 2.1 The Chief Executive is responsible for approving the County Council's corporate risk management strategy and for reviewing the effectiveness of risk management.
- 2.2 The Regulation, Audit and Accounts Committee provides assurance of the adequacy of the risk management framework and the associated control environment and scrutiny of the County Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk.
- 2.3 The Performance and Finance Select Committee considers existing policies and the effectiveness of their delivery relevant to the Select Committee's specific portfolio and to issues of major strategic importance to the County Council. It also considers the effectiveness of the Council's arrangements and systems for the management of contracts and for the scrutiny of the achievement of such commissioning outcomes as have been determined, as well as the annual budget and performance framework on a strategic basis at each meeting.
- 2.4 Risk management must complement and build on the existing integrated service planning and performance management processes. All significant risks must be managed to, or maintained at, an acceptable level.
- 2.5 The Executive Leadership Team is responsible for promoting the County Council's risk management policy statement throughout the County Council with Executive Directors responsible for ensuring there are sufficient processes in place to identify, assess and capture risks within their directorates.
- 2.6 The Director of Finance, Performance and Procurement is responsible for monitoring and reporting all significant risks and the Director of Law and Assurance is responsible for maintaining proper insurance cover where appropriate, in pursuant with paragraph 7 of this section.

3. Internal Control

- 3.1 Internal control refers to the systems of control devised to help ensure that the County Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that its assets and interests are safeguarded.

- 3.2 The Director of Finance, Performance and Procurement is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 3.3 It is the responsibility of Executive Directors and Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their business objectives and performance targets.

4. Audit Requirements

- 4.1 The Accounts and Audit Regulations 2015 require every local authority to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. Accordingly, internal audit is a separate, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 4.2 The Local Audit and Accountability Act 2014 requires the County Council to prepare an annual Statement of Accounts, and for these accounts to be subject to an external audit. The general duties of the auditor are set out in section 20 of the Act. The Council has opted into the national auditor appointment provisions of the Local Audit (Appointing Person) Regulations 2015. Under these provisions, an external auditor was appointed to the authority by Public Sector Audit Appointments Ltd for a five year period commencing 2018/19.
- 4.3 The County Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

5. Preventing Fraud and Corruption

- 5.1 The Director of Finance, Performance and Procurement is responsible for the development and maintenance of the Anti-Fraud Strategy (Part 5, Section 10). This is reviewed every three years and approved by the Regulation, Audit and Accounts Committee.
- 5.2 Where financial irregularity is suspected or discovered, Executive Directors are to notify the Director of Finance, Performance and Procurement (represented by the Head of Internal Audit) immediately, who in turn is to inform the Director of Law and Assurance. Detailed procedures for such action are contained in the Anti-Fraud Strategy.

6. **Assets**

6.1 Executive Directors should ensure that assets, including property, vehicles, equipment, furniture and stocks/stores, are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place, as set out in the council's Asset Strategy and Business Continuity policies.

7. **Insurance**

7.1 The Director of Law and Assurance shall effect all necessary cover for liability (including employer, third party, personal accident and fidelity guarantee), motor and property (including terrorism) insurance and negotiate all claims, in consultation with other officers where necessary.

7.2 Executive Directors shall notify the Director of Law and Assurance immediately of:

- All new risks and liabilities which may require to be insured
- Any change which may affect existing insurance
- Any loss, damage, claim or event which might give rise to a claim by or against the Council
- Any acquisition or disposal of interests in property which involves an amendment to insurance cover.

7.3 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.

7.4 The Director of Law and Assurance shall, at least annually, review all insurance in consultation with Executive Directors.

8. **Treasury Management**

8.1 The County Council has adopted the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) as detailed in Section 5 of the Code. Accordingly, the County Council will 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 (held outside of the Constitution)
- suitable Treasury Management Practices (TMPs), setting out the manner in which the County Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

8.2 The content of the Policy Statement and TMPs follows the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the County Council materially deviating from the Code's key recommendations.

- 8.3 The County Council will receive reports on its treasury management policies, practices and activities, including as a minimum an annual Treasury Management Strategy Statement in advance of the year, a mid-year review and an annual report after its close (see 8.4 below), in the form prescribed by its TMPs.
- 8.4 The County Council delegates to the Performance and Finance Select Committee responsibility for ensuring effective scrutiny of the treasury management strategy and policies. In accordance with the Constitution, a mid-year and year end treasury management report benchmarking security and liquidity, in addition to the actual yield achieved on County Council investments, will be submitted to this Committee.
- 8.5 The County Council in its Constitution delegates responsibility for monitoring compliance with its treasury management policies and practices against planned parameters to the Regulation, Audit and Accounts Committee
- 8.6 The County Council delegates responsibility for the execution and administration of treasury management decisions to the Director of Finance, Performance and Procurement.
- 8.7 The County Council will act in accordance with the Policy Statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management in the implementation and administration of all treasury management decisions.

9. **Prudential Code**

- 9.1 Interlinked with the CIPFA Code of Practice for Treasury Management is the Prudential Code for Capital Finance in Local Authorities; furthermore, the Council is required by regulation to have regard to the code when carrying out its duties under Part 1 of the Local Government Act 2003.
- 9.2 The Director of Finance, Performance and Procurement will be responsible for ensuring that all matters required to be taken into account are reported to the full Council for consideration, and for establishing procedures to monitor performance.

10. **Banking Arrangements**

- 10.1 All arrangements with bankers must be made only by the Director of Finance, Performance and Procurement, who is authorised to operate any bank accounts considered necessary.

11. **Staffing**

- 11.1 The Chief Executive as head of paid service is responsible for providing overall management to staff and is responsible for the arrangements for determining how officer support for Executive and non-Executive roles within the authority will be organised.
- 11.2 Executive Directors and Directors are responsible for controlling total staff numbers by:

- advising the Cabinet on the budget necessary in any given year to cover estimated staffing levels
- managing the staffing numbers within approved budget provision and, where necessary, adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- the proper use of appointment procedures, workforce plans and verified personnel information.

12. **Information Technology and Data and Information Management**

12.1 The Director of Finance, Performance and Procurement shall ensure there is sufficient provision for all Information Technology and data and information management requirements.

Financial Regulation D - Systems and Procedures

1. Introduction

- 1.1 Sound systems and procedures are essential to an effective framework of accountability and control.

2. General

- 2.1 The Director of Finance, Performance and Procurement is responsible for the operation of the County Council's accounting systems, the form of accounts and the supporting financial records. Any changes to the existing financial systems or the establishment of new systems must be approved by the Director of Finance, Performance and Procurement. However, Directors are responsible for the proper operation of financial processes in their own service areas, including those activities which are delivered by an external party.
- 2.2 Any changes to agreed procedures by Directors to meet their own specific service needs should be agreed with the Director of Finance, Performance and Procurement.
- 2.3 Executive Directors and Directors should ensure that their staff receive relevant financial training that has been approved by the Director of Finance, Performance and Procurement. This will also apply to external parties.
- 2.4 Executive Directors and Directors must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Executive Directors and Directors must ensure that staff are aware of their responsibilities under freedom of information legislation.

3. Income and Expenditure

- 3.1 It is the responsibility of Directors to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on the Director's behalf, or on behalf of the Council, in respect of payments, income collection and placing orders, together with the limits of their authority. The Cabinet Member for Finance and Resources is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

4. Payments to Employees and Members

- 4.1 The Director of Human Resources and Organisational Change is responsible for the payments of salaries and wages to all staff, including payments for overtime, as well as payment of expenses and any loans and for payment of allowances to members. The Director of Finance, Performance and Procurement is responsible for ensuring there are appropriate financial systems in place to make these payments.

5. Taxation

- 5.1 The Director of Finance, Performance and Procurement is responsible for advising Executive Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on VAT taxation issues that affect the County Council. The Director of Human Resources and Organisational Change is responsible for advising Executive Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all employee related taxation issues.
- 5.2 The Director of Finance, Performance and Procurement is responsible for maintaining the County Council's VAT records, making all VAT payments, receiving VAT credits and submitting VAT returns by their due date as appropriate.

6. Service Providers

- 6.1 It shall be a condition of engagement of any service provider (including consultants, contractors, agency staff and joint committees) for purposes within the scope of these Financial Regulations that they shall have a comprehensive knowledge of these Regulations and abide by them throughout the duration of their engagement. The relevant Director with responsibility for engaging and managing the service provider shall ensure that this requirement is met.

Financial Regulation E - External Arrangements

1. Introduction

- 1.1 The County Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It has the power to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

2. Partnerships

- 2.1 The County Council is responsible for approving delegations (Part 3, Section 2 of the Constitution), including frameworks for partnerships. The Cabinet is the interface in forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 2.2 Cabinet Members can delegate functions to officers. These are set out in the Scheme of Delegation that forms part of the County Council's Constitution. Where functions are delegated, the Cabinet remains accountable for them to the County Council.
- 2.3 The Chief Executive represents the County Council on partnership and external bodies, in accordance with the scheme of delegation.
- 2.4 The Director of Finance, Performance and Procurement is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the County Council.
- 2.5 The Director of Finance, Performance and Procurement must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider, in consultation with the Director of Law and Assurance, the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 2.6 Executive Directors and Directors are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

3. External Funding

- 3.1 All external funding granted to the County Council is to be notified to the Director of Finance, Performance and Procurement and he or she is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the County Council's accounts.

4. Work for Third Parties

- 4.1 The Cabinet Members for a service and the Cabinet Member for Finance and Resources shall be consulted before the completion of any contractual arrangements for any work for third parties or external bodies.