Classification: Open	Decision Type: Non-key

Report to:	Audit Committee	Date: 22 July 2026
Subject:	Financial Procedure Rules and Scheme of Delegation	
Report of	Director of Finance (S151 Officer)	

Summary

In November 2019, Cabinet received a report on the Council's new constitution. These were formally approved by Council in January 2021. In the report to Cabinet it was stated that 'Contract Procedure rules and Finance Regulations are a technical finance matter and are subject to the review of the statutory finance officer and monitoring officer'. The report also stated that the Audit Committee be authorised to approve further revisions to the rules.

This report sets out the Financial Procedure Rules and the Scheme of Delegation – Financial Limits for consideration by the Committee. Attached to the rules are detailed guidance notes to support budget holders in performing their financial duties.

Recommendation(s)

1. Approve the Financial Procedure Rules and Scheme of Delegation – Financial Limits appended to this report and recommend their adoption by Full Council
2. Note that the documents will form part of training for budget holders across the Council

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Background

1.1 Bury's Finance Transformation Programme is currently in progress, targeted with addressing longstanding issues that have limited finance capacity, including weaknesses in the current Unit 4 system and reliance on manual, time-consuming processes. The programme is designed to ensure the upgraded Finance system will be more efficient and user-friendly, while equipping finance with the tools needed to better support budget holders, decision-making, and the council's financial strategy.

1.2 The Programme is a key strand of the council's improvement plan that was developed in response to the statutory recommendation received from the external auditors in December 2024.

1.3 Any organisation with a large financial turnover needs to lay down the procedures to be observed in its financial dealings. Such procedures are especially necessary in the case of a local authority which is limited by legislation in what it is able to do, is subject to statutory audit and must account for its actions and stewardship to the general public

1.4 The purpose of these rules is therefore to set out, for the benefit of members, officers and the public, basic financial rules and guidance in order that everyone works to an approved common standard in the financial dealings of the council.

1.5 Given the multitude of improvements to controls and processes emanating from the Transformation Programme, it has been necessary to undertake a complete review and update of the Financial Procedure Rules and Scheme of Delegation in order to ensure that they reflect and support the way we intend to operate in future.

The Financial Procedure Rules and Scheme of Delegation must henceforth be reviewed and updated on an annual basis to safeguard against obsolescence.

1.6 A detailed list of the changes made to the Financial Procedure Rules and Scheme of Delegation, and the rationale for the changes, has been attached in Appendix A; the key changes being;

- Re-appraising our approach to purchasing goods and services, which will deliver efficiency savings as well as increasing compliance and control.
  - We will create a Supplier Catalogue, with the bulk of our expenditure being channelled through this. Prospective suppliers will be subject to stringent security, with our relationship with each supplier being formalised via a mandatory contract, which will assure compliance. Our ability to offer surety of turnover will facilitate the negotiation of savings with suppliers
    - The two proposed exception routes for unplanned spend; Exemption forms for non-urgent spend and Purchase cards for urgent spend, will be subject to rigorous monitoring and controls
- Approvals have been linked to the organisation's hierarchy, with the system being configured to enforce Segregation of Duties in relation to all transactions
  - No transaction may be raised and approved by the same person; this will assure scrutiny and control over the Council's finances
- Measures have been put in place to limit in-year Budget virements
  - In year Budget movements can obscure variances to original estimations. Limiting these facilitates analysis of under/over spends in order to augment Bury's business intelligence

1.7 The revised Financial Procedure Rules apply to all areas of the Council and should be read in conjunction with the Council's constitution.

1.8 The following documents are attached as appendices to this report for consideration and approval by the Committee:

- Financial Procedure Rules
- Scheme of Delegation – Financial Limits
- Financial Procedure Rules - Guidance Notes

1.9 It is proposed that the documents will support the roll out of budget holder training across the whole of the Council and this will be delivered during the 2026/27 financial year

Links with the Corporate Priorities:

Ensuring a financial framework within which all budget holders and those charged with financial responsibilities can operate within.

Equality Impact and Considerations:

Please provide an explanation of the outcome(s) of an initial or full EIA.
Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

1 eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

2 advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

3 foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Environmental Impact and Considerations:

There are no Environmental impacts

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Lack of governance over financial transactions leading to qualified statutory accounts and Best Value opinion.	Detailed financial rules to support the Council's financial budget and policy framework.
Risk of fraud and financial mis-management	Updated regulations ensure that the re is a strong control environment

Legal Implications:

Section 151 of the Local Government Act 1972 requires every authority in England and Wales to make arrangements for the proper administration of their financial affairs and secure that one of their officers has responsibility for the administration of those affairs. This means responsibility for managing the totality of the financial affairs of a local authority in all of its dealings. The Section 151 officer owes a fiduciary duty to the public to carry out those duties effectively and the Financial Procedure Rules and the Scheme of Delegations are essential tools in this process.

Financial Implications:

There are no financial implications arising from this report. The proposals underpin the Council's Constitution and Budget and Policy Framework

Background papers:

n/a

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
CIPFA	Chartered Institute of Public Finance and Accountancy

FINANCIAL REGULATIONS

Financial Procedure Rules and Scheme of Delegation

Contents

1. Financial Procedure Rules

1.1. Introduction

These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.

1.2. Purpose

The purpose of these rules is therefore to set out, for the benefit of members, officers and the public, basic financial rules and guidance in order that everyone works to an approved common standard in the financial dealings of the council.

They do not over-ride the requirement to observe statute in everyday matters.

1.3. Scope

These Financial Procedure Rules apply to all areas of the council and should be read in conjunction with the rest of the council's constitution.

1.4. Emergency Situations

The provision of these rules does not prevent the council acting through the Chief Executive and director(s) from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or situation relating to Section 138 of the Local Government Act 1972. This is subject to the action being reported as soon as practicable to the appropriate authority

1.5. Non Compliance

Any non-compliance with these rules will follow the relevant council performance management procedure and may result in disciplinary action being taken, or criminal investigation as appropriate

1.6. Definitions

In these Financial Regulations;

- 'Accounts and Audit Regulations' means the regulations issued under the Accounts and Audit Regulations 2015, the Local Audit and Accountability Act 2014, the CIPFA Code of Practice on Local Authority Accounting, the CIPFA Financial Management Code, the CIPFA Treasury Management Code and the CIPFA Prudential Code or any superseding legislation, unless otherwise specified.
- "Approve" refers to an online action, allowing an electronic transaction to take place.
- "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
- Must' and **bold** text refer to a statutory obligation the council cannot change.
- 'Shall' refers to a non-statutory instruction by the council to its members and staff.

1.7. **S151 Officer Responsibilities**

The Director of Finance (S151 Officer) holds a statutory office, and these regulations apply accordingly. The Director of Finance;

- Acts under the policy direction of the council
- Administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
- Determines on behalf of the council its accounting records and control systems;
- Ensures the accounting control systems are observed;
- Ensures the accounting records are kept up to date;
- Seeks economy, efficiency and effectiveness in the use of council resources; and
- Produces financial management information as required by the council.

1.8. **Council Responsibilities**

The council must not delegate any decision regarding:

- **Approving the budget and policy framework and the precept (council tax requirement);**
- **Approval of the Treasury Management Strategy and prudential indicators**
- **The outcome of a review of the effectiveness of its internal controls**
- **Approval to borrow in order to fund new Capital or Revenue initiatives; and**
- **Addressing recommendations from the internal or external auditors**

1.9. **Report Approvals**

The S151 Officer or nominated officer or a nominated representative must approve all financial implications on all decision reports and the relevant implications section of the report template must be completed.

1.10. **Internal Audit**

The S151 Officer or nominated officer shall in accordance with the Global Internal Audit Standards in the UK Public Sector and relevant CIPFA public sector application guidance, arrange for a continuous and current internal audit of all activities of the council

Internal Audit may provide assurance and advisory work, subject to safeguards for independence and objectivity

1.11. **Financial Irregularities**

Where matters arise which involve or are thought to involve financial irregularities this will be referred to audit and follow the relevant procedures as disclosed in the anti-money laundering, anti-bribery, fraud and corruption and whistleblowing policies (with reference to Treasury Management Practice Statement 9) as necessary

1.12. **Treasury Management**

All treasury management activities will be carried out in accordance with the latest Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and the Treasury Management Strategy approved by Council

1.13. **Declarations of Interest**

Officers must, on an annual basis, declare an interest and absent themselves from any managerial involvement in any financial matter from which they or their family could directly or indirectly benefit as required in the employee code of conduct. Declaration records will be held on a register.

1.14. **Banking Arrangements**

No officer has authority to open a bank account or procure new electronic payment functionality or facilities without prior specific written delegation of that authority by the S151 Officer or nominated officer

1.15. **Budgetary Control**

Directors and the Chief Executive must ensure, that their Assistant Directors / Heads of Service are managing their budgets, including commitments, appropriately by requiring that the monthly budget monitoring position and any necessary mitigating actions are presented to the Finance Board for consideration and thereafter subsequently reported to the Executive Leadership Team.

1.16. **Role of Directors**

Budgets are allocated to Directors to enable them to deliver services approved by Members through the budget setting process. Directors are required to ensure budgets are deployed in accordance with these rules to deliver policies and plans determined by members, and to ensure that there are processes and procedures in place within their directorates to be compliant with systems of internal control

2. Scheme of Delegation – Financial Approval Limits

2.1. **Introduction**

In the constitution, the Policy and Budget framework sets out the delegation of financial responsibility and budget spending limits to the officers of the Council, in conjunction with the Executive.

This Financial Scheme of Delegation outlines officers' delegation levels, detailing the responsibility levels that council officers hold to make financial related decisions on spending, income and other financial related issues and sets out the approved financial limits within which authorised officers may conduct council business.

If an officer is unclear of their delegation level when making a relevant financial decision, this should be discussed with the relevant Executive Director prior to any financial decisions being made.

The Financial Regulations themselves are also made up of several Codes of Practice and specific polices which should be read in conjunction with this scheme of delegation

2.2. Summary of Finance Delegations & Thresholds

Approving the award of new contracts, and extensions / alterations to existing contracts Where the appropriate authorisation to undertake a tender exercise is already in place #Procurement advice must be sought in relation to 3rd party spend	
Value (before VAT)	**Approval level**
Uo to £10,000	Budget Holder
In excess of £10,000 but not more than £50,000	Service Manager
In excess of £50,000 but not more than £150,000	Head of Service
In excess of £150,000 but not more than £250,000	Director / Assistant Director
In excess of £250,000 but not more than £500,000	Executive Director
In excess of £500,000	Cabinet
Approving Revenue Payments (invoice approvals) –securing spend authority - with an order in place #Procurement advice must be sought in relation to 3rd party spend	
Value (before VAT)	**Approval level**
Uo to £10,000	Budget Holder
In excess of £10,000 but not more than £50,000	Service Manager
In excess of £50,000 but not more than £150,000	Head of Service
In excess of £150,000 but not more than £250,000	Director / Assistant Director

In excess of £250,000 but not more than £500,000	Executive Director
In excess of £500,000	S151 Officer (note: approval of orders in excess of £500,000 remains a key decision for cabinet approval)

Approving Capital Payments (invoice approvals) –securing spend authority - with an order in place Approvals should be in consultation with the Finance Board #Procurement advice must be sought in relation to 3rd party spend	
Value (before VAT)	**Approval level**
Uo to £10,000	Budget Holder
In excess of £10,000 but not more than £50,000	Service Manager
In excess of £50,000 but not more than £150,000	Head of Service
In excess of £150,000 but not more than £250,000	Director / Assistant Director
In excess of £250,000 but not more than £500,000	Executive Director
In excess of £500,000	S151 Officer (note: approval of orders in excess of £500,000 remains a key decision for cabinet approval)
Amendments to the Capital Programme The overall Capital programme is scrutinised and approved on an annual basis. This scheme of delegation therefore related to operational in-year changes	
Value (before VAT)	**Approval level**
New Capital Schemes Funded by borrowing includes spend funded by S106 agreement where spend incurred before funds received	Cabinet then Council

New 100% externally funded schemes valued at not more than £1,000,000. Includes Schemes funded by capital receipts or revenue contributions	S151 Officer
New 100% externally funded schemes valued in excess of £1,000,000. Includes Schemes funded by capital receipts or revenue contributions	Cabinet
Virements (the movement of finances (budget or expenditure) between projects) valued at not more than £250,000	S151 Officer
Virements (the movement of finances (budget or expenditure) between projects) valued in excess of £250,000	Cabinet

Approving payments that do not have an order – Exemption forms (for exceptional / unforseen payments)

Value (before VAT)	**Approval level**
Up to £150,000	Head of Service
In excess of £150,000 but not more than £250,000	Director / Assistant Director
In excess of £250,000 but not more than £500,000	Executive Director
In excess of £500,000	Cabinet

Budget Movements (revenue and capital virements)

If a virement impacts more than one service, approval is required at the appropriate level from all impacted service areas

Value (before VAT)	**Approval required**	**Required to obtain consent from**
Up to £25,000	Head of Service	Strategic Finance Lead
In excess of £25,000 but not more than £100,000	Director	Deputy S151 Officer

In excess of £100,000 but not more than £500,000	Director	S151 Officer
In excess of £500,000	Executive Director. Virement is disclosed in Monitoring report which is Approved by Cabinet	S151 Officer
Debt Write-off approval The values relate to individual debts		
Value (before VAT)	**Approval required**	**Required to obtain consent from**
Uo to £10,000	Head of Service	Director
In excess of £10,000 but not more than £25,000	Responsible Director in consultation with the Assistant Director of Finance	S151 Officer Officer
In excess of £25,000 but not more than £50,000	S151 Officer in consultation with the Monitoring Officer	Relevant Cabinet Member
In excess of £50,000	Cabinet	

Bids for external grant funding – expenditure of funds to follow revenue expenditure delegations set out above	
Value (before VAT)	**Approval level**
All	S151 Officer and Executive Director(s) must agree and sign off
Treasury transactions	
Value (before VAT)	**Approval level**
All	S151 Officer or delegated to nominated officer(s)

Purchase Cards		
Transaction Limit / Monthly card Limit	**Card User**	**Card Authoriser**
£200 / £2,000	Nominated operational staff	Head of Service
£500 / £5,000	Head of Service	Director
£10,000 / £50,000	On call emergency manager	Exec Director

Reserves	
Value (before VAT)	**Approval level**
All	S151 Officer

FINANCIAL PROCEDURE RULES

Guidance Notes

3. Financial Integrity

The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management

3.1. Accounting Procedures

All accounting procedures and records of the Council and its Officers shall be determined by the S151 Officer or nominated officer in consultation, where necessary, with the appropriate Director or Head of Service / Assistant Director (or equivalent) concerned. Such procedures shall be in accordance with statutory Accounts and Audit Regulations.

3.2. Responsibility of S151 Officer or Nominated Officer

The S151 Officer or nominated officer shall be responsible for the compilation of the main accounting records for the Council.

The S151 Officer or nominated officer may from time-to-time issue written "financial instructions" dealing with detailed procedures to be followed in certain matters. Such instructions shall be issued after consultation with the Director, Assistant Director or Heads of Service affected.

The S151 Officer or nominated officer shall be responsible for the maintenance of a management information system, the General Ledger.

3.3. Segregation of Duties

The following principles shall be observed in the allocation of accounting duties by all employees or consultants engaged by the Council:

- All material Transactions, including those associated with the movement of existing funds and budgets within the General Ledger or sales and purchase requests, must be Prepared and Authorised by different individuals, in accordance with the Scheme of Delegations and the Journal policy outlined in Appendix B.
- Approval must be obtained from the officer responsible for any budget impacted by a proposed transaction, in accordance with the Scheme of Delegations and the Journal policy outlined in Appendix B, before the Transaction may be processed
- The duties of providing information regarding sums due to or from the Council and of calculating, checking, and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
- Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

3.4. Maintenance of the core Finance System

The S151 officer shall assure the integrity of data held on the Finance System by delegating the below tasks to nominated Officers;

- The routine completion of a dedicated suite of reconciliations designed to give assurance that the data held on the General Ledger is accurate
- Maintenance of the Chart of Accounts and all supporting coding structures, in accordance with the COA Maintenance policy outlined in Appendix C
- Maintenance of key system-generated Statutory and Management reports to ensure that they reflect impactful developments as they occur (for example restructures or changes to legislation)
- Timely Maintenance of changes to system user access requirements (for example in relation to new starters, leavers or user role changes)
- Maintenance of System user guides and training requirements

4. Accounts and Audit

4.1. Accounting records

The accounting records determined by the S151 Officer must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:

- Day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;
- A record of the assets and liabilities of the council

The S151 Officer shall complete and certify the annual Accounting Statements of the council contained in the Annual Statement of Accounts and Annual Governance Statemen, prepared and approved in accordance with the Accounts and Audit Regulations 2015 and relevant CIPFA proper, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the S151 Officer shall submit them with any related documents to the council, within the timescales required by the Accounts and Audit Regulations.

4.2. Role of Internal Audit

The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices

This service is currently provided by an Internal Council Team of staff and will assist Directors, Assistant Directors, Heads of Service and Senior Managers in the effective discharge of their responsibilities by giving assurance on financial and management control systems, identifying weaknesses, giving advice on how to resolve financial and management problems and improve control, investigating suspected irregularities and by undertaking Value for Money (VFM) reviews and management studies

The internal auditor shall be appointed by the council and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.

The council shall ensure that the internal auditor:

- is competent and independent of the financial operations of the council;
- Prepares and presents to Audit Committee an annual report outlining the work undertaken, and future work programme, of Internal Audit
- can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the management or control of the council aside from assigned input into the maintenance of the Corporate Risk Register, which sits within Fraud, Audit, Insurance and Risk (FAIR)

Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions; other than those necessarily undertaken to enact effective management of their own budget areas
- provide financial, legal or other advice including in relation to any future transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide

4.3. Accounts and Audit Regulations required by the Secretary of State

Any officer or member of the council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit and shall, as directed by the council, supply the S151 Officer, internal auditor, or external auditor with such information and explanation as the council considers necessary

The S151 Officer shall make arrangements for the exercise of electors' rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.

4.4. Powers of Internal Audit

The S151 Officer or nominated officer and all authorised Internal Audit staff are empowered to enter at reasonable times any premises or land owned by or in the control of the Council, if appropriate, and require employees to produce Council property and records under their control

4.5. **Financial Irregularities with regard to Council Functions**

Where matters arise, which involve or are thought to involve financial irregularities this will be referred to audit or follow Anti-money Laundering procedures and Treasury Management Policy Statements as necessary

5. Financial Planning, the Budget Process and Precept Setting

5.1. Financial Strategy

The Medium-Term Financial Strategy (MTFS) sets the framework for understanding the challenges and forecasted future financial position of the council. The MTFS supports the council's aims and objectives and encourages discussions about the allocation of resources, helping the council to understand its financial resilience.

The MTFS gives a 3-year forecast of the Council's projected financial position, enabling officers to consider the scale of any financial challenges over the medium term to enable appropriate actions and interventions to achieve financial sustainability. This effectively ensures that the council aligns its resources to its priorities and enables the prioritisation of investment based on the deliverability of outcomes

The MTFS process is an integral part of the council's financial planning process. The development of the MTFS is iterative and must be updated whenever officers become aware of any event causing a material change to the underlying financial projections, to ensure that it reflects the most up to date information and issues. The S151 Officer will also oversee three overarching reviews of the MTFS at the following points;

- When setting the Council's draft budget (Oct/Nov)
- When setting the Council's final budget and updated budget strategy (Feb)

The medium-term financial strategy will set out the parameters for the budget build process for the coming year. The Budget and Policy Framework will be followed and the strategy will be approved at Council

5.2. Capital and Revenue Budgets

The detailed form of Capital and Revenue budgets shall be determined by the S151 Officer or nominated officer consistent with the general directions of the Finance Board. The Budget and Policy Framework will be approved by Council following recommendation from Cabinet.

Where there is an element of Council revenue or capital match funding identified this must already exist within the revenue budget or capital investment budget (or recommended by Cabinet for approval at the next Council meeting to add to the capital investment budget).

Directors are responsible for delivering approved budgets, including achievement of savings, management of demand and cost pressures and identifying mitigations where required. Progress against saving plans must be regularly reported and monitored

5.3. Capital Programme

The S151 Officer will maintain a Capital Strategy to feed into the annual Capital Programme. Directors and their nominated budget holders, in consultation with the S151 Officer or nominated officer, shall jointly prepare for consideration by the Executive Team, a draft Capital Budget alongside the revenue income and expenditure budgets. These must be prepared in accordance with the policies and timescales determined by the Cabinet. The Budget and Policy Framework, including the Capital Programme, will be approved by Cabinet and then Council.

5.4. Approval of Estimates

The budget, once approved by the Council shall become the Council's Revenue Budget and Capital Budget for the next financial year.

Approval of the annual budget by the Council will confer authority on the Directors, Assistant Directors and Heads of Service of the Council to incur revenue expenditure so provided for the next financial year subject to compliance with the relevant provisions of the Contract Procedure Rules.

5.5. In-year adjustments to Capital and Revenue Budgets (Virements)

Budgets, once set, are an important analytical tool for the council. Under/Overspends should be analysed in order to augment Bury's business intelligence. It is impossible to forecast operational activity (set a budget) with 100% accuracy therefore an overspend does not indicate wrongdoing - instead it signals a need to re-appraise the original assumptions made at the time of budget-setting. Adjustments to budgets in reaction to over/under spends should therefore be discouraged

Virement approvals must be granted in accordance with the Scheme of Delegations. Virements between service areas require approval, at the appropriate level, from all impacted service areas.

The following transfers will not count as virement for these purposes:

- Budget movements which occur as a result of year end procedures.
- Transfers of budgets when a whole or part service transfers from one directorate to another as a result of a service restructure or change in line management responsibilities.
- Income and expenditure budget changes reflecting additional grants not included in the Council's approved budget.
- Transfers arising from changes in legislation.
- Any support service recharges (allocation of overheads) for accounting purposes

5.6. In-year amendments to the Capital Programme

The overall Capital programme is scrutinised and approved on an annual basis. Operational in-year changes must be made in accordance with the stipulations of the Scheme of delegation

In-year additions to the capital programme which are funded by external borrowing must firstly be approved by Cabinet and then by full council. Additions which are externally funded, funded by Capital Receipts or by Revenue Contributions and are valued under £1m may be approved by the S151. Those with a value exceeding £1m need to be approved by Cabinet.

The movement of finances (budget or expenditure) between projects which do not alter the overall financial envelope of the Capital programme may be authorised by the S151 Officer provided they do not exceed £250k. Any virements exceeding £250k will be noted in the Quarterly financial performance reporting and reviewed by Cabinet

5.7. Payments under contracts for building or other construction works

Where contracts provide for payment by instalments the responsible officer shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.

Any variation of, addition to or omission from a contract must be authorised by the Finance Board, with the board being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

5.8. External Funding

External funding may be granted subject to various obligations, with successful bids therefore resulting in the Council being bound by the resulting requirements. On this basis, to ensure the relevant measures are put in place to assure compliance, all bids for external funding must be signed off by the S151 and the Executive Director of the service making the bid

Authorisation to submit a bid for grant or other external funding, or accept an offer of such funding, must be obtained in advance of bid documents or acceptance documents being signed. This includes a situation where the Council intends to act as Accountable Body in respect of partnership funding, in which case authorisation to accept this Accountable Body status must also be obtained.

Developer contributions continue to support investment need associated with developments throughout the Country. Once a S106 has been completed, planning permission has been granted and the development subject to agreement has commenced, with the right governance in place the Council will be able to internally borrow to fund the project to commence prior to the developer contributions being received. The borrowing will be funded short term within the cash balances and repaid once the developer contributions have been received.

5.9. Council Tax, budget and Precepts

Before setting a precept, the council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.

Once the Council has set the council tax requirement and administered the relevant precepts from precepting bodies, the S151 Officer is responsible for informing preceptors of the taxbase who then in turn agree their own budgets

The Council is responsible for the completion of the statutory NNDR returns, which inform the Greater Manchester Fire Rescue Service and the PCC of their precept amounts, in accordance with set deadlines.

Any Member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.

6. Expenditure – Controls

6.1 Role of Directors

Directors are accountable for the effective financial management of their services and must ensure that:

- Expenditure is contained within approved budgets
- All expenditure complies with the Contract Procedure Rules
- Resources are aligned to service priorities
- Financial risks are actively managed
- Allocate responsibility for managing each budget area within their service and inform S151 Offer or nominated of the allocation and any changes as soon as they occur

Where financial pressures arise, Directors must take timely corrective action and escalate issues in accordance with the financial monitoring framework and must apply the rules set out under cash limited budgets below.

Directors must ensure that Budget Holders:

- Understand their responsibilities
- Liaise with the Finance service to ensure that they have access to timely and appropriate financial information
- Receive appropriate budget management training and support
- Work with stakeholders, including the finance service, to provide accurate and timely budget monitoring information as well as having input into any other Financial reports which impact, or are impacted by, their budget area
- Ensure that all expenditure complies with the Contract Procedure Rules

6.2 **Role of Budget Holders**

Budget Holders are responsible for:

- Monitoring income and expenditure against budget
- Ensuring commitments are properly recorded
- Complying with Financial Regulations and procurement rules
- Taking action to manage variances
- Ensuring value for money in all spending decisions
- Taking agreed actions to deliver any approved savings that they are accountable for, monitoring and reporting progress as necessary

6.3 **Monthly Forecasting**

Preparation of Financial information shall be the joint responsibility of budget holders and assigned members of the Finance service, who will collaborate to ensure the presented information is an accurate reflection of the council's operations

The S151 Officer will provide Monthly reports (with the exception of Period 1) on the Council's overall financial position to the Finance Board and Cabinet. For budgets assessed as being "high risk", monthly reporting will be provided to the Finance Board.

"High risk" budgets are those which are volatile and are impacted by increasing demand and material. These will be subject to additional scrutiny, with the focus being on plans that services have to mitigate spending pressures

Material variances between actual and forecasted expenditure will be discussed and understood, with any significant changes to underlying assumptions being assimilated into the Council's projected financial position

The delivery of approved savings will also be monitored and reported on, with mitigations agreed should any savings be non-achievable or delayed.

6.4 **Cash Limited Budgets**

Budgets are cash-limited to the net annual budget for each service with Directors being required to ensure that they operate within these limits and do not overspend their service budgets.

Budget holders, in collaboration with the Finance Service will be required to agree and sign off their budgets on an annual basis as part of the budget-setting process; to do this, they will be expected to understand the composition of their budgets and their relevant financial drivers

The use of reserves must not be relied upon as a substitute for effective budget management and may only be applied in accordance with the Scheme of Delegation for reserves. The Council maintains a general reserve to be used only in exceptional circumstances where there is an unavoidable year-end overspend and will require approval from the S151 Officer in line with the Scheme of Delegation.

Revenue Expenditure in non "high-risk" budget areas may not be automatically incurred if it will result in a breach of the overall Service Budget, unless alternative funding sources have been secured or agreed. Any such proposed expenditure will be subject to scrutiny and approval by the Finance Board, or Cabinet if the value exceeds £500,000, alongside the monthly review of any pressures in "high risk" Budget areas

The approval criteria for the additional expenditure may include provision for repayment of the overspend if the Finance Board deems this to be appropriate (for example re-imbursement from future savings generated by invest-to-save proposals) over an agreed timescale.

The S151 Officer, through the Finance Board and Cabinet will, receive quarterly finance reports outlining all forecasted over/underspends.

6.5 Overspends; Exceeding Cost Centre Budget

Directors may authorise expenditure which would otherwise exceed the estimate for a cost centre, provided that the expenditure:

- can be met from savings or under spending on other cost centres within the same service provided that these are not the result of non-recurrent increases in income or decreases in expenditure, will not constitute Capital Expenditure or result in:
    - a change in the level of service provision; or
    - a commitment to incur expenditure in future years; or
    - a change in policy; or
    - a breach of the Council's Workforce Strategy.
- is not a virement from a support service recharge code.
- is approved by the Finance Board if less than £500,000, or by Cabinet if the value exceeds £500,000

All such adjustments must be recorded and notified to finance

6.6 Carry forward of Underspends

Genuine provisions for liability as recognised by the Code in force must be accounted for in accordance with this guidance. Where budget holders wish to carry forward any unspent monies into the next financial year, then they must provide a business case to the S151 Officer.

These cases will be assessed against the relevant accounting guidance and the explanations provided in the case. The final decision for the carry forward of under spends is for the S151 Officer.

6.7 Approval of Expenditure

The scheme of delegations stipulates sign-off limits relating to the approval of Revenue Expenditure. The assumption is that the appropriate contract is already be in place, and that the approvals conform to the "no po no pay" policy

6.8 Recognition of Capital Expenditure

The Council has a £15,000 de-minimis limit for the recognition of Capital Expenditure

6.9 Raising Invoices

The Head of Service / Assistant Director (or equivalent) shall nominate those Officers eligible to raise Purchase Requisitions on the Council's financial system

Purchase Requisitions will be linked to the Supplier Catalogue; officers raising a requisition will be required to select an approved Supplier and Product

The Finance system converts the Purchase Requisition into a Purchase Order upon the approval of the appropriate Authorising Officer, as set out in the Scheme of Delegations

All routine expenditure must be made by raising a Purchase Requisition; any exceptions to this must follow the outlined process for either Exception firms or Purchase Cards

The duties of requisitioning goods or services and the subsequent confirmation of their receipt (goods received note process) shall not be performed by the Officer authorising the same Order

6.10 Goods Received Process

The Head of Service / Assistant Director (or equivalent) or Delegated Officer shall ensure that the Corporate Finance System is promptly updated when goods or services are received. Before completing the Goods Received Note process the verifying Officer shall, save to the extent that the S151 Officer or nominated Officer may otherwise determine, be satisfied:

- that the goods have been duly received examined and approved as being in accordance with the specification or match the official order and are satisfactory.
- that the works done, or services rendered have been satisfactorily carried out and that, where applicable, the materials used were of the requisite standard.
- that the proper entries have been made in the inventories or stores records, where appropriate.
- that the Council's purchasing guidance has been followed

Payment of invoices is dependent upon the satisfactory completion of this process

6.11 Coding of Expenditure and Income

All expenditure and income must be accurately to the correct cost centre and account code to which it relates. Miscoding expenditure / income distorts the Council's financial information

Journal transfers must comply to the Journal Governance Policy (Appendix B). The appropriate supporting documentation must be attached, and the appropriate level of approval obtained from all impacted service areas before they may be processed

Officers processing financial transactions shall be responsible for ensuring that all Value Added Tax is correctly accounted for.

6.12 Use of Reserves

Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (S151 Officer) to report to Council on the robustness of estimates and adequacy of reserves. As such, the management of financial reserves and provisions is ultimately a S151 responsibility

When establishing reserves, the Council needs to ensure that it is complying with the Code of Practice on Local Authority accounting and in particular the need to distinguish between reserves and provisions

- Reserves are funds set aside to cover unexpected expenses, meet future obligations, or manage risks
- A provision is recorded as a cost against a cost centre when the council has a present obligation as a result of a past event, it is probable that the cost will be paid to settle the obligation, and a reliable estimate of the value of the cost can be made

The overall level of reserves balances will be reported to Cabinet on an annual basis.. The annual budget report to Council will include:

- A statement of movements in reserves for the year ahead and the following two years
- A statement of the adequacy of general reserves and provisions in the forthcoming year and in the Medium-Term Financial Strategy; and
- A statement on the annual review of reserves.

Once a reserve has fulfilled the purpose for which it was established, any remaining balance should be reallocated to another similar purpose earmarked reserve or surrendered to General Reserves

7. Procurement

7.1. Supplier Catalogue

Catalogues or Product Lists are Mandated for the ordering of all goods, services and works related to 3rd party spend. The only exceptions to this will be expenditure raised via an Exemption form or procured via a Purchase Card.

Staff who require a good or service must ensure that they complete a catalogue template and send this to Procurement before ordering and goods, services or works

This approach will ensure that staff and suppliers are compliant and deliver high-quality goods and services at an economical price.

Any requests to add a Supplier or Product to the Supplier Catalogue must be directed to the Procurement Service via completion of the relevant template

All requests to add a supplier must be Prepared and Authorised by different individuals.

All prospective additions to the supplier catalogue will be subject to the appropriate due diligence protocols and may only be used once a contract is in place.

Checks and balances will be in place to monitor compliance, underpinned by regular reviews of expenditure activity.

The Procurement Continuous Improvement Group, reporting to the Finance Board, is tasked with ensuring that this process maximises the efficient, effective and economic use of resources.

7.2 **Contracts**

Every contract shall comply with the council's Standing Orders, these Financial Regulations and the Contract Procedure Rules.

For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by the UK Government, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract

For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the legislation regarding the publication of invitations and notices.

The sign-off limits in the Scheme of Delegations relate to the award of new and renewed contracts. The assumption is that the appropriate approvals required in order to undertake a tender exercise will already be in place, and that the scheme of delegation relates to the award of a contract to a preferred bidder or extension / alteration of a contract with an existing supplier

Contracts must not be split to avoid compliance with these rules.

7.3 **Exceptions**

The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to specialist professional services, such as legal professionals acting in disputes;

7.4 **Financial Control**

No contractual commitments which will cause an overspend may be made other than by resolution of Cabinet except in an emergency.

Finance involvement should be sought in order to obtain confirmation of the budget available, or to discuss mitigating options

No expenditure shall be authorised, no contract entered into, or tender accepted in relation to any major project, unless [the council] is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.

8. **Banking and payments**

8.1. **Arrangements with Council's Bankers**

All arrangements with the Council's bankers must be made by or under arrangements approved by the S151 Officer or nominated officer, who is authorised to operate such banking accounts and other electronic transactions as they may consider necessary.

All bank accounts must be reconciled on a regular basis (at least monthly). Reconciliations must:

- Be completed promptly
- Be independently reviewed
- Be retained for audit purposes

8.2. Payment of Invoices

It is the Council's policy to pay all invoices within 30 days of invoice date. It is therefore the responsibility of all staff to assist Pay Services in ensuring invoices can be processed for payment as soon as possible through full compliance with all the relevant financial procedures.

8.3 Invoice Authorisation

Invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council. Invoices may therefore only be released for payment when an appropriately authorised purchase order, exemption form or purchase card authorisation is in place

CIS Invoices are bills issued by a sub-contractor to a contractor for construction work, which include tax deductions required by HMRC under the Construction Industry Scheme (CIS). These should include the gross amount due, the appropriate deduction rate (20% for registered subcontractors or 30% for unregistered) and the net amount payable to the subcontractor. In order to assure compliance with these requirements, it is essential that labour and materials are itemised separately on all applicable requisitions raised (and invoices received against the requisitions) in order to meet the criteria for processing

8.4. Amendments and Deletions

Amendments to or deletions from an invoice must only be made in exceptional circumstances and must be authorised by the S151 Officer or nominated officer. No alterations to a Value Added Tax invoice may be made but a new invoice or credit note must be sought from the supplier. To avoid the possibility of duplicate payments photocopies or faxes are not accepted as valid invoices except in emergencies

8.5. Safeguarding against Fraud or Error

The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. More than one person should be involved in any payment, following the principles outlined in the Scheme of Delegations and these financial regulations. Additional checks and balances, including daily bank reconciliations, should be in place to further mitigate risk.

8.6. Data Security

Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.

8.7. **Payment methods**

All payments shall be made using electronic payment methods (e.g., BACS, CHAPS, faster payments) or by virtual and physical purchase cards in accordance with the Purchase Card Policy (Appendix D)

Segregation of duties must strictly be applied in relation to payments. The preparation, authorisation and processing of payments need to be actioned in separate stages by different individuals.

8.8. **Funds Held on Behalf of Others**

All funds held on behalf of others (Trust or Private) shall be subject to an annual audit, which shall be undertaken by a suitably qualified person. A copy of all audit reports and the final accounts shall be made available, on request, to Internal Audit for information. In respect of Schools, the audit report and the findings shall be presented to their School Governors.

The appropriate officers who are responsible for the administration of Trust or Private funds shall be responsible for ensuring that all Value Added Tax is correctly accounted for and shall have due regard to the treatment of Value Added Tax on donated funds (as detailed in Section 15 of the Local Government Act 1972).

Officers shall be responsible for ensuring that Trust and Private Funds are appropriately invested for the benefit of the fund. Advice as to the most appropriate method of investment will be obtained from the S151 Officer or nominated officer.

9. **Purchase Cards**

9.1. **Policy**

All usage of Purchase Cards must be compliant with the Purchase Card Policy (Appendix D)

9.2. **Purpose**

Purchase cards are intended to be used only on occasions where there is a need for an unforeseen immediate payment, for example to pay for an emergency care placement.

Less urgent unforeseen payments should be made using exception forms. All other payments should be made by raising a purchase requisition against an existing contract, in line with the Contract Procedure Rules

9.3. **Card Holders**

Purchase cards will be specifically allocated to approved officers (including on-call emergency managers) and usage restricted to the recipients

A cardholder must be a permanent member of staff who has worked for Bury Council for a period of at least six months in an eligible role and must also have completed the probation period.

Unless there are exceptional business needs, cards must not be allocated to temporary staff. In special circumstances when an exception can be justified and a member of staff requires a Purchase card to carry out the nature of their work written approval from their service director can waive these rules.

Line Managers are responsible for reporting changes in the cardholders' circumstances that might affect their card use (such as name or job changes, long term sickness, and maternity leave) promptly to Procurement

9.4. Card Limits and authorisation

Limits for individual transactions and card limits are outlined in the Scheme of Delegations. Itemised card expenditure and accompanying receipts must be reviewed for appropriateness and compliance and approved on a monthly basis.

9.5. Compliance and VAT

The cardholder must ensure that VAT receipts are retained for all transactions and that VAT is correctly identified and recorded. All expenditure must be accurately coded to the correct cost centre and account code to which it relates

10. Local Bank Accounts – Imprest / Petty Cash Accounts

10.1 Imprest / Petty Cash Advances

The S151 Officer or nominated officer will provide imprests and petty cash advances, where appropriate, to Officers for the purpose of defraying expenses. A receipt shall be signed in respect of each advance by the Officer concerned, who shall be responsible for accounting for monies. A receipt should be signed in respect of floats issued to Officers

10.2. Changes to Officers

Any changes to Officers responsible must be immediately notified to the S151 Officer or nominated officer. An outgoing imprest holder must reconcile the imprest to the total amount held, whilst the incoming responsible Officer should satisfy themselves that all is in order before accepting responsibility for the imprest

10.3. Disbursements

Vouchers for disbursements must be obtained and attached to claims for reimbursement. Claims must be properly certified and forwarded for payment to the Payments Team at specified intervals, normally not exceeding one month

10.4. Security of cash

Heads of Service are responsible for ensuring that all cash is kept in a safe and secure place and that bank accounts are reconciled on a regular basis, not less than monthly. A bank statement must be received at least monthly for all imprest bank accounts

10.5. Use of Imprest Accounts

Imprest accounts can be used for amounts agreed by the S151 Officer or nominated officer:

- to pay for local purchases by cheque at the time of collection or delivery.
- to secure discounts or take advantage of special offers.
- to reimburse staff who have purchased small value items directly.
- all such payments must be supported by VAT invoices or receipts

10.6 Use of Imprest Funds

Imprest funds must never be used to pay salaries, wages, or other employee expenses i.e., travel/subsistence and removal/relocation expenses, without the specific approval of the S151 Officer or nominated officer. Such payments may attract liability to Income Tax or National Insurance contributions and must therefore be made via the payroll system

10.7 Examination of Local Bank Accounts

The S151 Officer or nominated officer may at their discretion examine and reconcile Local Bank Accounts and for this purpose shall be entitled to receive such information and explanation as may be required

10.8. Partnership Arrangements

Where it is intended that the Council should enter into a partnership arrangement to further the delivery of Council policy and/or services, this must be approved by the Executive Team and a supporting assurance self-assessment process must be completed.
Where the Council's financial contribution to the partnership exceeds £100,000 per annum, including any grant or external funding for which the Council would act as Accountable Body, a full assessment must be carried out using the self-assessment process

11. Payment of salaries and allowances

As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation. Councillors' allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.

The S151 Officer shall be responsible for ensuring appropriate arrangements are in place for the payment of all salaries, wages, pensions and other payments to all current and former employees of the Council

Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.

Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.

Any termination payments shall be supported by a report to the council, setting out a clear business case. Termination payments shall only be authorised by the full council.

All claims for payment of officer car allowances, subsistence allowances, travelling and incidental expenses shall be made through the Council's financial system

Officer's claims should be submitted promptly at the end of each month in which the journeys were made, or the expenses incurred. The S151 Officer or nominated officer may refuse to make payment of claims over 3 months old.

Payroll must be subject to regular reconciliation and review between payroll system and general ledger.

12. **Treasury Management**

12.1. **Treasury responsibilities**

All Treasury Management Activities, including borrowing and investing, must be conducted in accordance with the latest CIPFA Treasury Management Code, relevant statutory requirements and the Council's Treasury Management Strategy which is approved by Council on an annual basis

The S151 Officer is responsible for the Council's Treasury Management function and for ensuring effective arrangements are in place to process all operational Treasury transactions, with amendments to policy being subject to council approval

The S151 Officer must ensure regular reporting of treasury activity. The Council is responsible for:

- Approval of the Treasury Management Strategy
- Approval of borrowing limits and prudential indicators
- Oversight of treasury performance

Cabinet will receive:

- Regular treasury monitoring reports including performance against prudential indicators
- Annual treasury outturn report

Treasury activities must be supported by appropriate controls, including segregation of duties, authorisation of transactions, audit trails and reconciliations

12.2 **Borrowing and Financing**

All borrowing must be:

- Approved as part of the Capital Programme and Treasury Strategy
- New schemes or activities which are to be financed from borrowing must be authorised by Council, prior to borrowing
- Affordable, prudent and sustainable
- Compliant with statutory requirements and prudential indicators

12.3 **Investments**

Investment decisions must:

- Prioritise security, liquidity and yield (in that order)
- Comply with the Treasury Management Strategy
- Be undertaken by authorised officers

Investments must not expose the Council to undue financial risk.

12.4 **Cashflow forecasting**

Accurate cashflow forecasting drives the efficient use of council borrowing and investments, resulting in potential improvements to the Council's net interest payments / receipts

The Treasury Officers shall therefore ensure the appropriate links to services which have key influence on the Council's payments and receipts, such as Accounts Payable and Accounts Receivable, are in place and maintained. The obtained information shall feed into cashflow information which shall be used to help inform short and long-term decision making

Services must provide timely and accurate information to support cashflow forecasting

13. **Income**

The Council must operate a robust income management framework to ensure that all income due is identified, collected, recorded and recovered efficiently.

The S151 Officer is responsible for overseeing corporate income collection arrangements. Directors are responsible for ensuring effective income management within their services.

13.1. **Collection of Monies**

The S151 Officer is responsible for ensuring that effective arrangements are in place to securely and efficiently process the collection of all sums due to the council

The general ledger shall be updated promptly of all monies due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council. The S151 Officer or nominated officer shall have the right to inspect any documents or other evidence in this connection as they may decide.

Debt recovery must be undertaken promptly and in line with the Council's debt management strategy and write off policy

13.2. **Invoicing for sums due**

Each Head of Service / Assistant Director (or equivalent) shall ensure that the established procedure is followed when raising invoices on the Council's Finance System in respect of work done, goods supplied, services rendered and all other amounts due to the Council

All services are required to raise invoices within 30 days of the chargeable activity being delivered or in advance where appropriate.

Periodic monitoring of invoicing activity across all service areas will be carried out. This will include reviewing the timeliness of invoice submission, the accuracy of information provided, and the completeness of supporting documentation

13.3 **Payment of Amounts Due**

All accounts rendered in respect of amounts due to the Council shall contain a statement that payment must be made directly to the Council's bank account and that cheques, money orders, and postal orders should be made payable to Bury Council.

All cheques, money orders and postal orders received in any Service Unit shall be crossed "Bury Council". Personal Cheques must not be cashed out of the money held on behalf of the Council.

Our preferred payment method is though utilising the Bankers Clearing Automated System (BACS)

13.4 **Payment into Council Account**

All monies received by an Officer on behalf of the Council shall, without delay, be transferred into the Council's bank account. No deduction may be made from such money save to the extent that the S151 Officer or nominated officer may specifically authorise.

Officers who bank money shall enter on the paying in slip and on the reverse of each cheque a reference to the related debt (receipt number or the name of the debtor) or otherwise indicate the origin of the cheque.

The name of the originating Service/Section shall be recorded on the paying in slip

13.5 **Issue of Receipts**

Every sum received by a cashier or other officer of the council shall be immediately acknowledged by the issue of an official receipt, ticket or voucher except in the case of cheques or other arrangements may only be established with the express approval of the S151 Officer or nominated officer.

All official receipts, tickets, books and other cash tokens shall, except by special arrangements approved by the S151 Officer, be controlled and issued by the S151 Officer or nominated officer, who shall keep a register of their receipt and issue. Departments shall keep proper records of the issue and use of all receipts, tickets and cash tokens.

13.6 **Recording Receipt of Monies**

Each Officer who receives monies on behalf of the Council, or for which they are accountable to the Council, shall keep records in a form approved by the S151 Officer or nominated officer.

13.7 **Transfer of Monies**

Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving Officer

13.8. **VAT Treatment**

The S151 Officer is responsible for ensuring that robust VAT arrangements are in place in compliance with HMRC requirements, including the accurate submission of VAT returns from the Council's financial systems within statutory deadlines

Services are responsible for ensuring that all transactions are correctly coded for VAT purposes within the Council's accounting system and are supported by appropriate documentation

13.9. **Significant receipts**

Where significant sums of cash are regularly received by the council, the S151 Officer shall ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.

13.10 **Fees and Charges Schedule**

A Schedule of Fees and Charges shall be maintained for all charges where the council has discretion over the amounts charged for services provided, for income generating activities and for charges where there are statute limits. All decisions on charges for services and income generating activities will be taken with reference to and in support of council priorities and recorded as delegated decisions, as appropriate

All charges and the scope for charging will be reviewed at least annually within the service area, though charges within the same service area may need reviewing at separate times in the year. The review will include those services which could be charged for, but which are currently provided free of charge

13.11 **Monitoring**

Income performance must be regularly monitored as part of the monthly financial budget monitoring information reviewed by the Finance Board. Reports must be comprehensive and include all sources of income, including Council Tax and NNDR, and outline details relating to income collection performance, outstanding debt levels, debt write-offs and key risks and issues

14. Write-offs

14.1 **Policy**

The governance applicable to Write-offs is outlined in the attached Write-off Policy (Appendix E)

14.2 Discharge of Debts

No debt due to the Council, after it has been correctly established, shall be discharged otherwise than by payment in full or by the writing-off of the debt or the unpaid portion of it, on the authority of the S151 Officer or nominated officer where either:

- The debt is not enforceable, or that attempted recovery is likely to involve expensive litigation with limited hope of success; or
- The cost of recovery would be disproportionate to the amount involved

14.3 Written-off Debts

The approval limits for debt write offs, which are set out in the Scheme of Delegations, relate to individual debts.

Budget Holders and Corporate Finance will be provided with details of those debts where write off is appropriate. Such details are to include information on recovery action already taken.

Corporate Finance shall use prudent estimation techniques to create and maintain adequate Bad Debt Provisions, to ensure that written-off debts represent minimal financial risk to the Council.

14.4 Reporting

The write-off of debts in accordance with the list of exceptions will be reported quarterly to the Council's Finance Board & S151 Officer

15. Stocks and Stores

15.1 Responsibility for Stocks

Each Head of Service / Assistant Director (or equivalent) shall ensure:

- the proper custody of their stocks and stores in their Service Unit and shall ensure that they are subject to an effective system of stock recording and control.
- that stores are held in reasonable quantities and that consideration has been given to turnover, value, delivery quantities and delivery periods.
- that practicable steps are taken to ensure that a delivery note is submitted by a supplier for every delivery at the time of delivery.
- as soon as practicable after the delivery has been made that goods are checked to ensure that the correct quantity has been delivered and that they meet the appropriate quality standard.
- that no articles or goods are removed from stock without proper authority.
- that an annual review of stocks held is undertaken with a view to reducing the number of slow-moving items and disposing of obsolete stock items;
- that obsolete or other stocks no longer required for the purpose acquired are disposed of under the disposals policy.
- that accounts and records are maintained in connection with the receipt and issue of stores in such form and timetable as the S151 Officer.

- that on the 31st March each year the value of stocks held is certified and reported to the S151 Officer or nominated officer

15.2 **Surplus or Deficiency**

Where any surplus or deficiency exceeds £5,000 in relation to any item of stock the S151 Officer shall be advised, and action taken where necessary

15.3 **Checking of Stock**

The S151 Officer or nominated officer is entitled to check stores and be supplied with any information relating to the accounting, costing, and financial records of the Council

16. **Disposal of Surplus or Obsolete Goods, Plant and Stocks**

16.1 **Authorisation for Disposal**

Surplus or obsolete goods or plant, whether held in store, on inventories or otherwise up to the value of £2,000 per item or group of like items, must not be disposed of either by sale or destruction except upon the authorisation of the appropriate Director of the Assistant Director. Where the value is between £2,001 and £10,000 the authorisation of the Deputy S151 Officer or nominated officer must also be obtained. Where the value exceeds £10,000, authorisation from the S151 Officer must be obtained.

In relation to inventory items (e.g., IT equipment etc.) all items surplus to requirements should, in the first instance, be offered to other Council departments, schools etc. prior to being disposed of.

16.2 **Sale of stock**

Sale must be affected by public tender except when, in the opinion of the appropriate Head of Service / Assistant Director (or equivalent) concerned and the S151 Officer or nominated officer, the financial interest of the Council is better served by disposal by any other means. This could be by public auction

16.3 **Recording Disposal**

A record of each disposal should be maintained (i.e., the approval, the price obtained and if appropriate the alternative method of disposal used). Inventories or stock records should be updated in a timely fashion to reflect the disposal. Officer decisions for disposals in excess of £50,000 must be published.

16.4 **Income from Disposal**

Income from disposals shall be credited to the cost centre unless a capital receipt. Capital receipts are sales of assets recorded on the asset register in excess of £10,000, either individually or cumulative. These are credited to the capital receipts reserve and used in accordance with statutory requirements

16.5 **VAT**

Value Added Tax shall be accounted for on the sale proceeds if appropriate and the amount identified when banking the income. The S151 Officer or nominated officer should be contacted if clarification of the VAT position is required.

17. Assets, Property and Estates

17.1. Responsibility of Directors in Relation to Asset Register

The S151 Officer or nominated officer is responsible for maintaining the Council's asset register and ensuring appropriate accounting treatment of assets. The asset register will include all land and properties owned by the Council recording the purpose for which the property is held, the location, extent and plan reference(s), purchase details where available, details of interest and rents payable and particulars of tenancies of other interests granted. This register is also updated by the assets team as appropriate.

Directors are responsible for ensuring assets within their services are properly managed and safeguarded, notifying finance of any changes (acquisition, disposal, impairment) and ensuring accurate records are maintained

All changes to the asset register must be communicated through the Council's systems.

Assets must be subject to periodic verification to confirm existence and condition, continued operational use and accuracy of asset records. Differences between physical assets and records must be investigated and corrected.

17.2. Valuation of Assets

The S151 Officer or nominated officer shall ensure that all assets are valued in accordance with the latest CIPFA Code of Practice. Valuations must be undertaken on a regular basis in line with accounting requirements, use appropriate professional methodologies and be supported by qualified valuers where required.

17.3. Notification of Purchase or Disposal of land and / or buildings

Any purchases or disposals of property must be actioned on the Council's financial systems and asset registers (including requiring a valuation prior to disposal).

18. Security

18.1 Responsibility

All Heads of Services are responsible for maintaining proper security at all times for all information, buildings, stocks, stores, furniture, equipment and cash under their control. They should report to Facilities Management where they consider security is thought to be defective or where they consider special arrangements are needed.

Appropriate security controls for all assets shall be identified by the risk assessment process and by referring to security standards and procedures. Arrangements shall be agreed as above.

Maximum limits for cash holdings shall be identified by the risk assessment process and agreed with the S151 Officer or nominated officer and shall not be exceeded without permission.

Key holders for safes and similar security receptacles are to be agreed by each Head of Service / Assistant Director (or equivalent) in conjunction with the S151 Officer or nominated officer. The loss of keys shall be reported immediately using the security incident reporting procedures

18.2 Data Protection Legislation

The Chief Executive in conjunction with the Monitoring Officer and in consultation with Heads of Service and the Chief Information Officer, will ensure that all computer systems and written records, (including those in the possession of elected Councillors) which store sensitive personal data are operated in accordance with the Council's Data Protection Policy, Data Protection legislation, and that proper security and confidentiality is maintained

18.3 Anti money laundering, bribery and corruption

All staff must have regard to the Council's Anti-Money Laundering Policy and Anti Bribery and Corruption Policy. A member of staff should consider, in line with the Policy and Guidance, reporting any transaction which involves the receipt of £5,000 or more of cash to the Money Laundering Officer (the Head of Internal Audit); notwithstanding such financial limit, any member of staff who has reasonable grounds to believe that money laundering is taking place (or is being attempted) in respect of a smaller amount of cash should report the matter to the Council's Money Laundering Officer.

Staff should also have regard to the Council's Gifts and Hospitality Protocol. All staff must immediately report to their manager or the Monitoring Officer any circumstances where inappropriate gifts or hospitality have been offered to them

19. Insurance

19.1. Responsibility for Insurance

The S151 Officer or nominated officer is responsible for the arrangement of risk funding on advice from Internal Audit. The administration and resolution of all losses is the responsibility of the nominated officer in consultation with other Officers where necessary by reporting to the S151 Officer or nominated officer.

19.2. Record of Insurances

The S151 Officer will keep a permanent record of all insurances, risks covered, premiums paid and of all self-funded risks and losses paid. This includes third parties arranging insurance where the Council has an insurable interest. Documents to be permanently retained must include policy schedules and all liability insurance certificates for every period of insurance. Such responsibilities may be delegated to the nominated officer.

19.3. **Incident / Accident Reporting**

Every event with the potential to give rise to a financial loss, or involving injury to a member of staff, an elected Councillor or client of the Council, must be reported in accordance with the Health & Safety Arrangements Policy.

19.4. **Review of Risk Financing Arrangements**

The S151 Officer or nominated officer and Internal Auditor shall annually review the Council's risk financing arrangements and look at adequacy of provision in the light of changes in the environment including new legislation, imposed or contractual responsibilities, legal precedent, newly identified and quantified risks, or other concerns identified.

19.5. **Indemnity**

Before any indemnity requested from the Council is provided, the Head of Service / Assistant Director (or equivalent) responsible shall obtain written agreement from the S151 Officer or the nominated officer. Generally, Heads of Service should not allow burdens or responsibilities to be imposed on the Council through contract that would not otherwise be imposed by common law or statute

The nominated officer shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the council's review of risk management.

20. **Voluntary Funds**

A voluntary fund is any fund which is held or controlled by the Council as trustee for the benefit of a third party and/or for a specified purpose. Such funds may be administered solely, or in part, by an officer by reason of his or her employment with the Council.

The S151 Officer shall be informed of the purpose and nature of all voluntary funds maintained or managed by any Officer in the course of their duties with the Council.

Voluntary funds registered with the Charity Commissioners must comply with all requirements set by the Commission in respect of the format of accounts and the need for audit or independent examination by a competent person and must meet the timescales set out for such reports.

Voluntary funds not registered with the Charity Commissioners shall have formal accounts prepared and examined annually by a competent person independent of the fund. A copy of the accounts and Independent Examiner's Statement shall be supplied to the S151 Officer immediately after the examination. The S151 Officer shall be entitled to verify that the reports have been made and to carry out such checks on the accounts as he co nsiders appropriate

21. **Suspension and revision of Financial Regulations**

The Audit Committee shall review these Financial Regulations and following any change of S151 Officer. The S151 Officer shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.

The Audit Committee may, by resolution duly notified prior to the relevant meeting of the Audit Committee, suspend any part of these Financial Regulations, provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.

The Audit Committee may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

22. **Training and Documentation**

22.1 **User Guides**

User Guides and are essential tools which ensures processes are undertaken in accordance with best practice, and in a uniform way across the council

The S151 Officer shall be responsible for ensuring that a suite of user guides covering all key processes is available to officers across the council, and that these are reviewed and updated annually or whenever a process change occurs

22.2 **Staff training**

Any member of staff required to undertake a process must be given appropriate training before commencing, and at predetermined intervals thereafter.

22.3 **Inductions and role changes**

Appropriate training shall be given to any new member of staff, and to those changing roles, as an integral part of the induction process

Appendix A:

Summary of changes to the Scheme of Delegation and the Financial Procedure Rules

Changes to the Scheme of Delegations		
Area	**Summary of change**	**Impact**
Contract Approvals	These have now been incorporated into the Scheme of Delegations	Ensures mechanisms are in place to support the creation of a supplier catalogue underpinned by Contractual Compliance
Revenue Approval - with order	Revision of limits and levels	Aligns approvals with Hierarchy, to support segregation of duties; the system will ensure that authorisaion of a proposed order will be routed to someone with greater seniority than the person raising the request.
Capital Approval - with order	Revision of limits and levels	
Amendments to Capital Programme	Virements added In year externally funded approval split by value	Ensures that every key transaction type is subject to regulation. Ensures approval of major externally-funded schemes is a Cabinet decision.
Treasury Management	No change	
Purtchases without an order (Exception forms)	Higher level of approvals; Anything below £150k to be approved by Head of service	Reinforces that these are for unforseen spend only; increased seniority of approvers aids greater control of approval process
Budget Virements	Approval levels adjusted to ensure quicker Director / S151 involvement Emphasis that approval must be obtained from all impacted service areas	Ensures spend against budget is not obscured by budget virements; aids analysis. Increases control and accountabililty of budget holders
Write offs	Team manager approval level removed	Per new policy. Better control
Bid for External Funding	No change	
Purchase Cards	Introduction approval levels and spend controls	Ensures Purchase Card spend is restricted to unexpected, urgent Expenditure. Increases compliance and control.
Use of Reserves	S151 responsibility	In line with section 25 of the 2003 local government act

Changes to the Financial Procedure Rules

Overall

All references to statutory legislation and internal process reviewed and updated

Opening background section

- Greatly expanded to give context for the full review and refresh of the Scheme of Delegation and Financial Regulations
- The need to review and update the Scheme of Delegation and Financial Regulations on an annual basis has been highlighted to safeguard against future obsolescence

The current regulations are over 5 years old. The Finance Transformation Programme, underpinned by the new Unit4 finance system implementation, seeks to embed a multitude of improvements to controls and processes. Updating The Financial Regulations and Scheme of Delegation is therefore critical, as this will ensure that Bury's governance supports the new ways of working.

Financial Procedure Rules

- Definitions section added
- Responsibilities sections added

This section has been expanded to ensure all stakeholders and their responsibilities are defined within the regulations

Scheme of Delegation

- Introduction added

The introduction gives context and clarity as to how the Scheme of Delegations should be applied to Council transactions.

All changes made to the Scheme of Delegation itself, and the rationale for the changes, are listed in the opening table of Appendix A

Financial Integrity

This is a new segment with a focus on measures intended to bolster internal control and risk management

- The key responsibilities of the S151 officer in this regard are outlined
- The segregation of duties section has been expanded to incorporate sales/purchase requests and journals. Segregation of Duties (all material

transactions must be prepared and authorised by separate individuals) is a key control, safeguarding against error or fraud
- A section on system maintenance (including reconciliations, Chart of Accounts maintenance, reporting maintenance and access controls) added, detailing the key controls needed to ensure that system-generated information is accurate and reliable

Internal Audit and Internal Control changed to "Accounts and Audit"

This has been heavily revised

- The regulations regarding Accounting records have been iterated
- The role of Internal Audit, a key independent check and balance for the Council, has been detailed, along with the Council's responsibilities regarding Internal Audit
- The relevant elements Accounts and Audit regulations have been iterated

Financial Planning 'Accounting' and the Budget Process changed to "Financial Planning, the Budget Process and Precept Setting"

- A Financial strategy section has been added giving detail regarding why the MTFS is important and how the MTFS process will work
- A section detailing restrictions to in-year Budget virements has been added. There is currently a culture of making in-year budget adjustments to obscure variances, which needs to change. Original estimations will not always be correct; it is important to learn lessons by analysing variances to help make more informed estimations in future budget iterations
- Greater detail regarding the governance of in-year amendments to Capital programme added
- A section detailing the process for in-year estimates to aid monitoring of Construction works added
- The section on External funding has been expanded to cover all potential scenarios
- A section giving a regulatory overview of the Council's duties regarding Council tax and setting the Precept has been added

Expenditure – Controls

- The roles and responsibilities of Directors and Budget Holders have been added
- The Monthly Forecasting section has been updated outlining responsibilities and the links to forecasting / MTFS
- Much more detail has been added regarding the protocols regarding high risk budgets, overspends and underspends

- Approval of Expenditure has been linked to Scheme of Delegation and “no po no pay”
- Raising Invoices updated: link to the Scheme of Delegation ; Purchase Requisitions must be linked to the supplier catalogue or, for unplanned expenditure, using Exemption forms or Purchase cards.
- The updated Goods Received Note Process added – invoices may only be paid once confirmation the goods or services have been received
- Coding of Expenditure & Income updated and linked to the updated Journal Governance
- The De-Minimis limit for Capital Expenditure has been included
- The section covering the use of Reserves has been updated to include the relevant statute and definition

Procurement

A new procurement section has been added, to reflect the critical role Procurement will now play in our purchasing goods and services, with the key sections being;

- A section detailing the Controls, Governance and Processes required to effectively operate Bury’s new Supplier Catalogue
- Details regarding statutory obligations regarding Contracts, and the links between Contract Authorisations and the Scheme of Delegations link
- A section detailing the Financial controls in relation to contracts has been added

Banking and Payments

Additional detail has been added regarding;

- Adding extra control governing the Council’s banking arrangements (adding new bank accounts)
- Bury’s 30 day payment terms have been referenced
- Updated controls governing the authorisation of invoices, re-iterating that the old valid routes are via appropriately authorised purchase orders (for most expenditure), or Exemption forms and purchase cards for unexpected expenditure
- Detail regarding the processing of CIS invoices has been added
- A section restricting the amendment of invoices has been added
- The safeguarding section has been updated to include dual authorisation (Segregation of Duties) and supporting reconciliations

Purchase Cards

A new Purchase Card section has been added to introduce controls and governance regarding their use, with the key sections being;

- Signposting the Purchasing Vard Policy

- Outlining the intended circumstances under which Purchase Cards may be used
- Outlining the eligibility criteria for potential Card Holders, and the protocol to follow should there be any relevant changes in the cardholders circumstances
- Signposting links to the authorisation levels within the Scheme of Delegations
- Compliance; ensuring transactions are coded correctly and all VAT implications are accurately identified and recorded

Local Bank Accounts – Imprest / Petty Cash Accounts

There are no material changes to this section

Payment of Salaries and allowances

- Details of the relevant Statute have been added
- A good deal more definition has been added to include all potential transactions, such as termination payments, and the controls and reconciliations required to give appropriate assurance against error or fraud

Treasury Management

- Appropriate reference to the CIPFA Treasury Management Code, relevant statutory requirements and the Council's Treasury Management Strategy has been added
- Detail concerning compliance requirements in relation to Borrowing and Investmentss has been added
- A Cashflow forecasting section added, highlighting the link between accurate forecasting and the efficient use of council borrowing and investments

Income

- The requirement to raise invoices within 30 days of the chargeable activity being delivered or in advance where appropriate has been referenced
- The need and responsibility to ensure all transactions receive the correct VAT treatment has been highlighted
- A section outlining the maintenance and governance of a full Fees and charges schedule section has been added
- A section detailing the income monitoring requirements has been added

Write offs

- The write off policy has been signposted and added as an appendix

- The approval limits for debt write offs, which are set out in the Scheme of Delegations has been referenced, alongside detail of the relevant processes and link to Bad Debt provisions
- A section detailing the monitoring requirements of Bad Debt write-offs has been added

Stocks / Stores

There are no material changes to this section

Disposals

There are no material changes to this section

Assets Property and Estates

There are no material changes to this section

Security

There are no material changes to this section

Insurance

There are no material changes to this section

Voluntary Funds

There are no material changes to this section

Suspension of Financial Regulations

This section has been added to identify exceptional circumstances which may lead to suspension of the Financial Regulations

Training and User Documentation

This section has been added to highlight the need for continuous staff training, a requirement to ensure ongoing compliance with best practice and these Financial regulations; key sections are

- The creation and maintenance of a suite of user guides covering all key processes is available to officers across the council, and that these are reviewed and updated annually or whenever a process change occurs

- The need for appropriate training to be given to any officer before they undertake any processes required as part of their role
- The need to routinely incorporate training as an integral part of the Induction of new staff, or Role Changes of existing staff

Appendix B: Journal Approvals

BURY COUNCIL JOURNAL APPROVALS

Approval Level	Finance Roles / Levels	Standard Journal	Technical	HR Payroll	CSSC Recharges	Capital Recharges (Service Revenue Side)	Schools Recharges (service side)	Internal Department charges	Accruals Journal (service side)	Accruals Journal (balance sheet side)	Schools Recharges (schools side)	Capital Recharges (Capital Side)
< £10,000	**Principal Finance Business Advisor / Principal Corporate Accountant**	Principal Finance Business Advisor / Principal Corporate Accountant		Principal Finance Business Advisor / Principal Corporate Accountant		Principal Finance Business Advisor / Principal Corporate Accountant	Principal Finance Business Advisor / Principal Corporate Accountant	Principal Finance Business Advisor / Principal Corporate Accountant	Principal Finance Business Advisor / Principal Corporate Accountant			
£10,001 - £50,000	**Senior Business Partner / Corporate Accountancy Manager**	Senior Business Partner / Corporate Accountancy Manager	**Corporate Finance Pool for approvals**	Senior Business Partner / Corporate Accountancy Manager	**Corporate Finance Pool for approvals**	Senior Business Partner / Corporate Accountancy Manager	Senior Business Partner / Corporate Accountancy Manager	Senior Business Partner / Corporate Accountancy Manager	Senior Business Partner / Corporate Accountancy Manager	**Corporate Finance Pool for approvals**	Head Teachers (Per UNIT 4 Access)	**Corporate Finance Pool for approvals**
£50,001 and over	**Strategic Finance Lead**	Strategic Finance Lead		Strategic Finance Lead		Strategic Finance Lead	Strategic Finance Lead	Strategic Finance Lead	Strategic Finance Lead			
Substitute Requirements												
<£50k	Go to next level above	Go to next level above	Go to next level above	Go to next level above	Go to next level above	Go to next level above	Go to next level above	Go to next level above	Go to next level above	Go to next level above	N/A	Go to next level above
>£50k plus	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)	N/A	Assistant Director of Finance (For all levels above £50k - Substitute for SFL annual leave)

Appendix C: Chart of Accounts Maintenance

Suggested Process timings			2 days from receipt of form	2 days from receipt of approval		2 days from receipt of checklist	
Revenue Cost centre code changes	User requests New Code or Code Closure using a Form on the Intranet - the form is sent to a sharepoint site - the appropriate Finance team is alerted	Corporate Accountancy Manager (Planning) Review - escalated to Strategic Finance Lead (Corporate Resources) in the event of absence	Form is approved / rejected. If approved, the Corporate Accountancy Manager (Planning) is notified, if not the requestor is notified	Corporate Accountancy Manager (Planning) Updates Checklist ensuring New Code is linked to all relevant reporting and any appropriate rules / attributes	Corporate Accountancy Manager (Planning) sends completed Checklist to the Systems Team	Checklist processed by the Systems Team (Unit4 Updated)	Requestor is notified process is complete
Account code & Balance sheet code changes	User requests New Code or Code Closure using a Form on the Intranet - the form is sent to a sharepoint site - the appropriate Finance team is alerted	Corporate Accountancy Manager (Accounts) Review - escalated to Strategic Finance Lead (Corporate Resources) in the event of absence	Form is approved / rejected. If approved, the Corporate Accountancy Manager (Planning) is notified, if not the requestor is notified	Corporate Accountancy Manager (Planning) Updates Checklist ensuring New Code is linked to all relevant reporting and any appropriate rules / attributes	Corporate Accountancy Manager (Planning) sends completed Checklist to the Systems Team	Checklist processed by the Systems Team (Unit4 Updated)	Requestor is notified process is complete
Capital cost centre Code changes	User requests New Code or Code Closure using a Form on the Intranet - the form is sent to a sharepoint site - the appropriate Finance team is alerted	Corporate Accountancy Manager (Accounts) Review - escalated to Strategic Finance Lead (Corporate Resources) in the event of absence	Form is approved / rejected. If approved, the Corporate Accountancy Manager (Planning) is notified, if not the requestor is notified	Corporate Accountancy Manager (Planning) Updates Checklist ensuring New Code is linked to all relevant reporting and any appropriate rules / attributes	Corporate Accountancy Manager (Planning) sends completed Checklist to the Systems Team	Checklist processed by the Systems Team (Unit4 Updated)	Requestor is notified process is complete

Suggested Process timings			2 days from receipt of form	2 days from receipt of approval		2 days from receipt of checklist	
Treasury Code changes	User requests New Code or Code Closure using a Form on the Intranet - the form is sent to a sharepoint site - the appropriate Finance team is alerted	Corporate Accountancy Manager (Accounts) Review - escalated to Strategic Finance Lead (Corporate Resources) in the event of absence	Form is approved / rejected. If approved, the Corporate Accountancy Manager (Planning) is notified, if not the requestor is notified	Corporate Accountancy Manager (Planning) Updates Checklist ensuring New Code is linked to all relevant reporting and any appropriate rules / attributes	Corporate Accountancy Manager (Planning) sends completed Checklist to the Systems Team	Checklist processed by the Systems Team (Unit4 Updated)	Requestor is notified process is complete
Adhustments to Account Code Rules or Attribute lists	User requests New Code or Code Closure using a Form on the Intranet - the form is sent to a sharepoint site - the appropriate Finance team is alerted	Corporate Accountancy Manager (Accounts) Review - escalated to Strategic Finance Lead (Corporate Resources) in the event of absence	Form is approved / rejected. If approved, the Corporate Accountancy Manager (Planning) is notified, if not the requestor is notified	Corporate Accountancy Manager (Planning) Updates Checklist ensuring New Code is linked to all relevant reporting and any appropriate rules / attributes	Corporate Accountancy Manager (Planning) sends completed Checklist to the Systems Team	Checklist processed by the Systems Team (Unit4 Updated)	Requestor is notified process is complete
New Fees, Charges or Income product requests	User completes a Form on the Intranet the form is sent to a sharepoint site - the appropriate Finance team is alerted	Review by both the Corporate Accountancy Manager (planning) and the VAT Accountant - escalated to Strategic Finance Lead (Corporate	Form is approved / rejected. If approved, the Corporate Accountancy Manager (Planning) is notified, if not the requestor is notified	Corporate Accountancy Manager (Planning) Updates Checklist ensuring New Code is linked to all relevant reporting and any appropriate rules / attributes	Corporate Accountancy Manager (Planning) sends completed Checklist to the Systems Team	New product is processed by the Systems Team	Requestor is notified process is complete

Appendix D

Bury Council

PURCHASE CARD POLICY v1.4 Final

Date: 2nd July 2026

Subject: Purchase Card Policy

Report by: Kevin Fletcher - Interim Head of Procurement

1. Purpose of the Policy

Purchase Cards, including physical and virtual cards, are a strategic procurement control that enables efficient purchasing, reduces internal purchase-to-pay overheads, and supports Council's in achieving their compliant payments targets. When governed effectively, they strengthen financial control, support supplier cashflow, and help the Council consistently achieve its prompt payment and audit assurance objectives, while complementing formal contract and procurement arrangements.

This policy sets out the rules and controls governing the use of Purchase Cards (Physical P-Cards) and Virtual Cards to ensure that expenditure is:

- Properly authorised and recorded
- Fully compliant with VAT, financial regulations, this policy and Contract Procedure Rules; and
- Transparent, auditable, and subject to robust corporate oversight

The policy implements recommendations arising from the Purchase Card Expenditure Internal Audit Report and adopts the Lloyds Bank Purchase Card system as the Council's primary mechanism for all purchase card management, monitoring, and compliance.

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2. Scope

This policy applies to:

- All staff issued with a physical Purchase Card
- All transactions conducted using a Purchase Card (Physical and Virtual card)

- Line managers, budget holders, Procurement, Finance, and Audit teams involved authorisation and oversight

Physical Purchase Cards must only be used where no suitable corporate contract, framework, or purchase order process is available and where use represents value for money. P-Cards must not be used as a substitute for planned procurement or contract spend.

Examples of scenarios where P-Card may be permitted:

- Urgent / Out of hours purchases
- Situations where PO systems are impractical e.g. Subscriptions

Physical cards must not be used to circumvent the Contract Procedure Rules.

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3. Purchase-Cards (P-Cards)

There are two types of Purchase Cards in use across the Council:

- Physical Card
- Virtual Card

Physical purchase cards is a named, chip and pin payment card issued to a staff member for authorised business expenditure. Physical P-Cards are provided through the Lloyds Bank Purchase Card system and remain the property of the Council at all time

Virtual Purchase Cards are as the name suggests – an electronic way of paying Suppliers via the Lloyds P-Card system to support secure, controlled, and efficient purchasing where a physical card is not required. Virtual Cards are intended to reduce risk, improve control, and enhance auditability, particularly for online, one-off, or supplier/Contract specific transactions.

All use of Virtual Cards is subject to the same governance, compliance, and audit requirements as physical Purchase Cards, unless explicitly stated otherwise in this policy.

Both cards under the Greater Manchester contract attract a 1.22% rebate for the Council.

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4. Governance and Responsibilities

4.1 Eligibility for a purchase card

It is the Line Managers discretion and based on business need to nominate staff for assignment of a P-card.

All requests should have a valid and sound business case for application of the P-card

All requests should have single transaction and monthly spend limits identified. The transaction and monthly spend limits are detailed in Appendix 1

All requests must be approved by the individuals line manager or designated department approver of P-cards. The request will then also be reviewed and approved by Procurement to ensure that appropriate levels of transaction and monthly levels of spend are allocated.

A cardholder must be a permanent member of staff who has worked for Bury Council for a period of at least six months and must also have completed the probation period.

Unless there are exceptional business needs, cards must not be allocated to temporary staff. In special circumstances when an exception can be justified and a member of staff requires a P-card to carry out the nature of their work written approval from a chief officer can waive these rules.

4.2 Cardholders

Cardholders are responsible for:

- Using the card strictly in accordance with this policy
- Ensuring all transactions are legitimate, business related, and appropriate
- Uploading a valid VAT receipt or invoice to the Lloyds P-Card system for every transaction
- Reconciliation within 5 working days of statement
- Completing mandatory training prior to card activation and periodically thereafter.

4.3 Line Managers

Line Managers must:

- Approve the issue of Purchase Cards
- Review transactional activity for appropriateness and compliance
- Ensure that the cardholder keeps up to date with transaction processing.
- Support escalation where transactions remain unauthorised
- Report any problems that the cardholder is experiencing to the Department Administrator.
- Identify personal transactions, and report these promptly to the Departmental Administrator

- Report changes in the cardholders' circumstances that might affect their card use (such as name or job changes, long term sickness, and maternity leave) promptly to Procurement

Via the Lloyds card management system

- Approve the cardholders transactions via the card management system within 10 working days once these have been reconciled by the cardholder. Where approvers do not approve the cardholders transactions every month, this will be reported to the approvers line manager. Repeated failure to approve transactions will be reported to your Chief Officer and may result in your cardholder having their card removed which may affect your service delivery
- Ensure that the cost centre and subjective codes are correct.
- Review all receipts to ensure compliance with the policy on items purchased before approving and that the receipts submitted are valid and match to the transactions on the submitted statement.
- Ensure VAT receipts are obtained and that VAT is correctly reconciled to ensure the Council can claim back the VAT (gross amounts will be charged to cost centre where no VAT receipt is obtained). It is vital that VAT is set correctly as any fines incurred from HMRC due to incorrectly coded VAT on the cards will be charged back to the department cost centre.
- Ensure that leavers or role change are reported to Departmental Administrators and the P-card is returned to Procurement as soon as possible before the cardholder leaves their post.
- In the event of misuse of a P-card, the cardholder and approver are responsible for ensuring that appropriate and timely action is taken to:

    - Inform Lloyds as soon as misuse is identified
    - Inform Procurement
    - Inform Departmental Administrator (Finance)

- Ensure that any loss associated with such misuse is recovered promptly. Cardholders and Approvers need to take all appropriate steps to ensure that P-card transactions are for valid business reasons, and that failure to ensure appropriate checks are made may be investigated in accordance with Bury Councils disciplinary & dismissal procedure. As an approver, you and your cardholder may be audited by Internal Audit to ensure that you are complying with the relevant corporate policies.

If you are unsure what the transaction is for or why the money has been spent, then this should be clarified and challenged when appropriate before approving. Remember: this is being charged to your budget, you are responsible for authorising any expenditure against your budget and ensuring Council funds are being spent appropriately and correctly.

4.4 Finance

Finance is responsible for:

- VAT compliance checks and reconciliation
- Oversight of financial reporting and compliance with Financial Regulations
- Undertaking additional VAT compliance checks as part of VAT returns

4.5 Procurement

Procurement will:

- Own the Policy and responsible for regular reviews and any amendments
- Monitor Purchase Card expenditure corporately using Lloyds system data
- Identify expenditure that should be routed through existing contracts or frameworks
- Work with services to reduce inappropriate P-Card spend
- Review limits annually
- Manage the cards – leavers, change or role etc once informed by service users
- Setup and authorise any expenditure on Virtual cards in line with Scheme of Delegation.
- Escalate any issues to the S151 Officer

4.6 S151 Officer

The S151 Officer has overall responsibility for the financial control requirements set and any amendments must be approved by the S151 Officer.

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5. Issue and Training Requirements

5.1 Mandatory Training and Agreement

Before a Purchase Card is issued:

- Cardholders must complete P-Card training and sign this policy declaration
- Cardholders must confirm, via the Lloyds system, that they have read and understood:
    - This P-Card Policy
    - The training guidance and procedures

For existing cardholders, completion of training and acceptance of this policy declaration are mandatory. Failure to comply will result in suspension of the card.

Training guides in the format of video and paper guides are available on the Procurement Intranet page

[Purchasing cards]

The video guides are here for Commercial Card Internet Servicing (CCIS) and Commercial Card Data Management (CCDM): [Your Commercial Card Solutions | Lloyds Bank Business]

CCIS is the live system which shows declines, cardholder personal details (address etc.) and the videos for CCIS are mainly for administrators.

Cardholders will undertake the CCDM training, which is where they will code transactions, can see how much limit they have.

The Lloyds CCDM mobile App is available for both Apple and Android devices an can be downloaded directly from the Apple and Google Play store. The App makes it simple to complete all your expense tasks on the move.

Cardholders can also register for CCIS but it may not be strictly necessary if they have the CCDM access as that will also show what activity is happening on the card.

5.2 Audit Trail

The Lloyds P-Card system will be used to:

- Record training completion
- Capture policy acceptance
- Provide a clear audit trail
- Report on expenditure to ensure only used where appropriate

Failure to complete training or confirm policy acceptance will result in automatic card suspension.

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6. Use of the Lloyds P-Card System

The Lloyds P-Card system is the primary corporate control system and will be used to:

- Upload and store receipts and invoices
- Monitor transaction authorisation
- Enable corporate spend analysis
- Support audit, reconciliation, and reporting

Unit4 will be used for financial posting only; transactional compliance and monitoring will be managed through Lloyds.

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7. Receipts, Invoices, and VAT Compliance

- A valid receipt or VAT invoice **must be uploaded for every transaction**, with no exceptions.
- Transactions without supporting documentation will not be compliant.
- VAT must be correctly identified, coded, and accounted for on all transactions.
- Lloyds system controls will be used to ensure transactions cannot be completed without documentation.

Finance will perform additional VAT compliance checks as part of the VAT return process.

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8. Transaction Authorisation and Escalation

8.1 Authorisation Timescales

All transactions must be authorised within the relevant statement period and when supporting documentation has been uploaded,

8.2 Escalation Process

Notification reminders can be configured within the Lloyds system at frequencies ranging from daily to several months as determined by the Council.

For the purposes of this Policy, weekly automated reminders will be issued to all cardholders who have not coded their transactions.

Where transactions remain uncoded at the end of the month a configurable system email from the S151 Officer will be issued reminding users of their obligations under the policy.

- Weekly reminders will be issued
- Transactions outstanding after one month period will trigger an automated reminder from the S151 officer.
- Where non-compliance persists, the Purchase Card will be suspended, unless approved as exempt for operationally critical purposes (e.g. emergencies), which must be documented.

Automation within the Lloyds system will be used to reduce manual intervention.

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9. Monitoring and Corporate Oversight

Procurement, Finance and Internal Audit will have access to Lloyds P-Card reporting dashboards. CCDM will be the reporting portal: Lloyds Bank | Log in

- Purchase Card expenditure will be reviewed on a bi-monthly corporate basis.
- Spend patterns will be analysed to:
    - Reduce inappropriate card usage
    - Identify opportunities to channel spend through approved contracts
    - Highlight non-compliance or emerging risks

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10. Prohibited Use

Purchase Cards must not be used for:

- Personal expenditure
- Splitting transactions to bypass limits
- Transactions that circumvent Contract Procedure Rules
- Off contract spend categories such as IT, Agency, Stationery etc
- Purchases available through existing contracts without prior approval
- Gifts/Rewards for staff (including flowers)
- Cash withdrawals or Money transfers

Misuse may result in disciplinary action.

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11. Purchase Card Security

To reduce the risk of fraud, Cardholders should:

- Sign their new card immediately.
- Never lend the card or card number to anyone.
- Never send card details via e-mail.
- Card holders should treat the security of P-card as they would their own personal card
- Never give out your PIN to a third party when purchasing on the internet and only use secure sites.
- Ensure the P-card is always kept in a secure location that only the card holder can access. Leaving cards on your desk could pose a serious security risk for potential fraud or theft, and if lost or stolen due to negligence may result in disciplinary action.
- Always check the total on the sales voucher is correct before you sign or entering your PIN for transactions.
- If found after it is reported stolen, destroy the card and dispose of securely

- Do not leave receipts with card number unattended.

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12. Reporting A Lost, Stolen or Misuse of a Purchase Card

Bury Council operates a "zero tolerance" approach towards fraud. Any deliberate misuse of a P-card will result in disciplinary action in accordance with the relevant Policies including this Purchase Card Policy.

Cardholders and their authorising managers are responsible for reporting the loss, theft or misuse of a P-card, by informing Lloyds and emailing purchasingcards@bury.gov.uk. You should also notify your line manager as soon as you are aware your card is missing or as soon as you become aware of unusual transactions on your account.

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13. Cardholder Absence

There may be instances when the deadline for all coding and paperwork falls during a period of short-term absence, for example, annual leave. If you know that there is going to be a deadline while you're away, then you should update all transactions on the system and submit for approval before you go on leave. If the absence is likely to take you well beyond the deadline, temporary arrangements should be made by advising the administrators.

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14. Approver Absence

If your approver is absent and your statement and transactions need to be authorised, then you must identify a temporary approver – this can be someone in your team/department who has the financial delegation to sign off card transactions. Please make sure that you notify Procurement if this happens

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15. Suspension and Withdrawal of Cards

Cards may be suspended or withdrawn where:

- Training or policy acceptance is not completed
- Receipts are repeatedly not supplied

- Transactions remain unauthorised
- Misuse or control breaches are identified

16. UK GDPR Data protection Act 2018

In the course of applying for, and using, a P-card, personal data about you will be processed by Lloyds Bank PLC (the card provider). This includes:

- Your name, and who you are employed by
- Your work contact details (address, email address, telephone number)
- Your date of birth
- Your staff/payroll number
- Any proof of identification deemed necessary in order to process your application.

To obtain a P-card, you must consent to your personal data being processed by Lloyds Bank PLC in accordance with the UK GDPR Data protection Act 2018 and the Lloyds Bank privacy statement (www.lloydsbank.com/privacy2.asp).

Such processing includes using your personal data to manage your application for a P-card and providing the required P-card services (e.g., access to online transaction systems). This may include checking your personal data against electoral registers, credit reference agencies and/or fraud prevention agencies.

Unless you opt-out, Lloyds Bank PLC may share your personal data, both within and outside of the Lloyds Banking Group, for the purpose of direct marketing.

17. Transparency

In accordance with the Local Government Transparency Code 2015, Bury Council may publish P-card transactions on our website including transaction date, transaction reference, merchant category and the amount spent.

18. Freedom Of Information

Under the Freedom of Information Act the public has the right to request any information held by Bury Council

19. Application For Card and Increase/Decrease of Limit

To apply for your card or to amend your card limit on either temporary or permanent basis please contact Procurement via purchasingcards@bury.gov.uk

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20. Review and Compliance

This policy will be:

- Reviewed annually by Procurement
- Updated in line with audit findings, regulatory changes, and system improvements

Compliance with this policy is mandatory. Breaches may be subject to investigation and disciplinary action.

Internal Audit will periodically review compliance.

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21. Contact Details

NAME	EMAIL
Procurement	purchasingcards@bury.gov.uk
Internal Audit	Internal-Audit@bury.gov.uk

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22. Declaration

This declaration covers the initial card issue, annual compliance with policy and any subsequent cards issued for cards lost, stolen, expired, damaged or replaced.

I have read and understood Bury Council's Purchase Card Policy

CARDHOLDER

Card Holder Name (Print): ______________________________

Job Title: ____

Department: ____

Signed: ____

Date: ____

APPROVER

Approver Name: ____

Job Title: ____

Approver Signature: _____________________________________

Date: ____

Please return the fully completed and authorised document to purchasingcards@bury.gov.uk

APPENDIX 1 – TRANSACTION AND MONTHLY LIMITS

Transaction Value	Card Limit	Card User	Card Authoriser
200	2,000	Nominated operational staff	Head of Service
500	5,000	Head of Service	Director
10,000	50,000	On call emergency manager	Exec Director

Appendix E

Bury Council Write Off Policy April 2026

Introduction

The purpose of this new policy is to provide a corporate approach to the writing off of bad and irrecoverable debts whilst seeking to maximise the opportunity for collection thereby minimising the need for write off. The policy also establishes a disciplined approach across the Council for the writing off of those debts that are not recoverable. It establishes clear guidance for all Council Officers on the recording, reporting, recovery and monitoring of the Council's debt and income.

Section 151 of the Local Government Act 1972 requires that local authorities make arrangements for the proper administration of their financial affairs. Part of these arrangements includes establishing a Policy for the writing off of irrecoverable debts. These arrangements are underpinned by Part 4 Procedures Rules, Section 6 Financial Regulations of the Council's constitution.

Objectives

This Policy has the following objectives:

- To promote a consistent and fair approach to the writing off of debt across the Council,
- Enable debts to be written off in a timely and efficient manner,
- Provide a framework that sets out the criteria for writing off debt.

Outcome

The outcomes expected from this policy:

- Minimise the level of write off necessary,
- To ensure cases recommended for write off are done so every quarter,
- Minimise the level of resources provided for bad and irrecoverable debts,
- Standardise the write off process across all income and debt areas,
- Avoid the use of subjective judgement and criteria when considering cases for write off, by providing clear objective criteria and procedures,
- Introduce effective performance management arrangements,
- Help focus resources on potentially recoverable debts (by disciplined writing off of irrecoverable debts),

Debts covered by this Policy

For the avoidance of doubt this policy document applies to all debts and income due to the Council including but not limited to the list below, and include any other debts across the Council:

- Council Tax,
- Business Rates,
- Housing Rents
- Sundry Debts (incl. Commercial Rents, service charges and insurance, licensing, fees, statutory notices, subscriptions, etc.),
- Adult Social Care,
- Housing Benefit Overpayments

General Collection Policy

It is Council policy to pursue the collection of all debts owed to the Council as vigorously as possible. Every effort will be made to recover any Council debt before write off is considered. Service Areas will work together, where appropriate to do so share data, to make informed decisions about debt recovery and write off.

This policy supports the decision process for debts that may have become uneconomical to pursue or are irrecoverable.

It must be noted that a debt may be written off but can be reinstated if deemed recoverable at a future date and is appropriate to do so.

The policy will be reviewed as required to ensure processes remain fair and in line with legislation and best practice.

The policy may be extended to include other forms of revenue and income collected by the Council.

General Principles

The general principles adopted in this policy are as follows:

- To ensure a professional, consistent and timely approach to debt write off across all of the Council's functions,
- To promote, where Data Protection legislation allows, a coordinated approach towards sharing debtor information internally and managing multiple debts owed to the Council,
- To ensure that debts are managed in accordance with legislative provisions and best practice,
- To ensure that any steps taken to recover debt / income are in line with the Council's corporate policies.

Delivering the Policy

Writing off of debt should be undertaken in accordance with the Council's Financial Procedure Rules, as outlined within the financial limits contained within the Council's constitution.

Adult Social Care debt write offs must be carried out in accordance with Annex D of the Statutory Guidance to the Care Act 2014.
Delivering the policy involves a number of processes which are explained in more detail below:

- Ensuring a consistent approach,
  - Pre-request for write off,
  - Request for write off,
  - Writing debts off,
  - Reinstating written off debt,
  - Evasion and fraud,
  - Credit balance write offs, • Dealing with historical debts.
  - Insufficient Evidence to Enforce Debts
  - Bad debt provision,

Ensuring a consistent approach

In line with this policy, the Council will have a consistent approach across all directorates in responding to debt write offs. Proposal for write offs should be considered at every appropriate stage in line with the framework.

Pre Request for Write Off

All debts of the Council will be acted on in accordance with its Financial Rules. If the debt remains unpaid, after exhausting all appropriate recovery methods, the debt should be considered for write off. All requests to write off debts must be approved by authorised officers and within the approval thresholds set out in this policy.

The Service Area will take reasonable steps to contact the debtor to discuss the matter before making any final decisions on recovery actions, of which, write off may be considered as an option based on the circumstances of the debtor. As a result of these discussions, or in the view of the service area, if the debt is considered uneconomical to pursue or considered irrecoverable then the service area may propose the debt for write off.

A debt may be written off when one or more of the following apply (this list is illustrative and not exhaustive):

- Council error – The debt was caused by a local authority mistake, and the debtor could not reasonably have known about it.
- Deceased debtor – The debtor has died and there are not enough funds in the estate to clear the debt.

- Low-value debt – The total debt is under £50 and no payment has been made within six months of the final reminder.
- Custodial sentence – The debtor is serving a prison sentence of 12 months or more and recovery is unlikely.
- Debtor untraceable – The debtor cannot be located for at least six months.
- (The Council may reinstate the debt if the debtor is later found.)
- Debtor overseas – The debtor is living abroad, and the law does not allow the Council to enforce recovery.
- Statute-barred debt – The debt cannot legally be pursued due to the time limits set out in legislation.
- Debt Collection Agent unable to recover – All recovery options have been exhausted, and the agent confirms the debt is unrecoverable.
- Legal advice – Legal Services advise that the debt is not recoverable or that legal action would not be cost-effective.
- Uneconomical to collect – The cost of recovery would exceed the value of the debt.
- Bankruptcy or liquidation – The debtor is declared bankrupt, or a company has gone into liquidation.
- Company arrangements – A Company Voluntary Arrangement (CVA) or administration order prevents or limits recovery.
- Financial hardship or vulnerability – Recovery action would cause serious financial difficulty, or the debtor is considered vulnerable or in hardship.
- Multiple debts with limited means
- Where the debtor owes several debts to the Council and a financial assessment shows they do not have sufficient means to pay them all, consideration may be given to writing off some debts to support sustainable repayments.
- Evidence of financial circumstances is required. If the debtor fails to maintain the agreed payment plan, the write-off may be reversed.
- Insolvency confirmation – The Official Receiver or Administrator confirms there is no prospect of settlement.
- All recovery options exhausted – No further recovery actions are available.
- Court remission – The court has formally remitted (cancelled) the debt.

Write off is a formal process and when authorised, ceases all debt recovery action for that specific debt, albeit recovery action may continue for other debts connected to the debtor.

Where authorised, a request for write off does not mean the debt cannot be reinstated in future, where appropriate. The write off will be removed and action will continue giving weight to the statute of limitations, and corporate debt management.

Request for Write Off

As per the Accounts and Audit Regulations 2003 (as amended), debts should only be written off with approval of the responsible finance officer (S151), or such members of staff, where this function has been delegated in line with the current Financial Regulations and Financial Delegations.

Write off proposals and subsequent decision papers will be retained for the current year plus six years as per the Council's Record Retention Policy.
Once appropriate authorisation has been received and final authorisation for the write off obtained from the Director of Finance (S151 Officer) or delegated officers, the debt will be removed from the relevant accounting system and charged against the appropriate cost centre/fund.

Write offs of Housing Benefit caused by an Official Error where the debt has been determined as unrecoverable can only be made in conjunction with the relevant Housing Benefit legislation and guidance.

Any write off relating to Adult Social Care debt is governed by the Care and Support Statutory Guidance Annex D, in addition to the above process.

Writing Debts Off (framework)

The writing off of debt should be administered in accordance with the Council's Financial Procedure Rules, as outlined in the Financial Limits contained in the Council constitution.

Irrespective of the amount to be written off, the following list of exceptions* is delegated to Heads of Service to authorise write offs. Write off of debts in accordance with the list of exceptions will be reported quarterly to the Council's Finance Board & S151 Officer.

**Evidence is required under the following categories (outlined below).*

List of exceptions:

- Death of the debtor
- The debtor has passed away and there are no assets in the estate to cover the debt, the remaining balance may be written off.
- *Written confirmation of this is required from a solicitor or executor.
- Bankruptcy or Liquidation
- A debtor has been declared bankrupt (individual) or has entered liquidation (company), creditors may only receive a portion of the owed amount, or nothing at all, depending on the available assets.
- *Bankruptcy or Liquidation number or documentation should be provided
- Debt Relief Order granted to the Debtor.
- *Appropriate entry in the Insolvency Register or documents should be provided,
- Individual Voluntary Arrangement.
- *Appropriate entry in the Insolvency Register and documents should be provided,

- Company Voluntary Arrangement / Administration Order.

*Appropriate documents should be provided,

- Debt remitted by court.
- *A statement to confirm the decision of the court is needed.
- Debtor living abroad.
- The debtor is believed to be living overseas, and the legislation

does not permit debt pursuance.

*Evidence to confirm this position is required

Once appropriate authorisation has been received and final authorisation for the write off obtained from the Director of Finance (S151 Officer) or delegated officers, the debt will be removed from the relevant accounting system and charged against the appropriate cost centre/fund and bad debt provision.

Authorised officers and approval thresholds

The following Scheme of Delegation is in place for authorised officers to write off debts owed to the Council.

Authorisation to write off* is delegated, after all appropriate recovery options have been exhausted.

Value	Approval Required	Reported to
Up to £10,000	Head of Service	Director
In excess of £10,000 but not more than £25,000	Responsible Director in consultation with the Assistant Director of Finance	S151 Officer
In excess of £25,000 but not more than £50,000	S151 Officer in consultation with the Monitoring Officer	Relevant Cabinet Member
In excess of £50,000	Cabinet	

*Excluding the list of exceptions detailed in the Writing Debts Off (framework).

Reinstating Written Off Debt

Service Areas must be aware of an individual's circumstances during all financial related dealings, and this includes being aware of any current and written off debt(s) that the debtor may have.

Where a debtor's circumstances change and the original grounds for writing off the debt no longer stand, the Council reserves the right to reverse the write-off and pursue the outstanding amount through normal recovery procedures.

Fraud and Misrepresentation

If an allegation or suspicion of fraud arises, the Council will investigate the matter. Should fraud be established, the Council may reverse the write-off and pursue criminal proceedings where warranted.

Credit Balance Write Offs

When an account is closed and a credit balance remains, the credit must be checked against any other debts owed to the Council and, where appropriate, offset against those debts. If the credit is repayable, it will be refunded by BACS where bank details/address are known.

Where no forwarding address is available, reasonable efforts must be made to identify the correct address for repayment. If no address can be found, the credit will be removed from the account. If an address is identified at a later date, the credit may be reinstated, offset against another outstanding debt, or refunded where no other debts exist.

Dealing with Historical Debts

Historical debts will be dealt with outside of this policy. A separate procedure will be designed for this which will be subject to separate approval.

Insufficient Evidence to Enforce Debts

Where there is insufficient evidence to create a debt then these amounts should not be raised at the outset by either the service or finance staff. It is always important to consider this at the inception of raising a debt and whether the funds can or cannot be successfully recovered.

If a debt is raised and then subsequently with the passage of time, the debt becomes not credible either on the challenge of the debtor or because there is insufficient evidence to support the debt, then this debt should be removed from the finance system by way of a credit note. This will effectively remove the debt from the Council's aged debt portfolio and reduce it to nil.

It is important that where any debts fall into this area that they follow the credit note process, and not the debt write off route. Debts that should not have been raised or cannot be supported should not be written off.

Any debts raised which fall into the recovery process which later require a credit note will be collated and reported quarterly to the Finance Board & S151 Officer. Service Area's responsible will report need to report why the debt was raised, why it is not being pursued and the steps which have been put in place to avoid a reoccurrence.

Use of Third Party Collection Services

Where appropriate to do so, and prior to the submission for write off, debts of £300 or more should be considered for referral to the Council's appointed collection agent who will undertake further checks to determine if the debt can be traced and / or collected.

- Trace and collect – where a forwarding address cannot be determined, further checks will be made with third parties to determine if address information can be found. This is a further check, prior to write off, to support the write off recommendation,

• Collection of debts where all internal remedies to collect have been exhausted. The debt will be passed to a third party collection agent, who will attempt to secure payment in line with appropriate legislation/contractual arrangements in place.

Bad Debt Provision

The Director of Finance (S151 Officer) in conjunction with Heads of Service must ensure there is adequate provision for bad debts, in accordance with 'CIPFA Code of Practice on Local Authority Accounting in United Kingdom – A Statement of Recommended Practice'.

Debts where a bad debt provision has been assigned should be appropriately reviewed on a timely basis with effective recovery methods applied. Where debts are not recoverable, suitable evidence should be provided to progress the case / debt to write off.

Any debts which form part of the proof of debt sent by the Council to the to the insolvency practitioner are written off if they meet all the terms of the insolvency agreement. The insolvency practitioner may make payments in the form of dividends to Bury Council which will be offset against the debt and the amount written off will be reduced accordingly.

A separate bad debt provision is held for each service area so that any increase required in the provision will be charged to the service area concerned. Conversely, if the debt for which a bad debt provision is paid then the provision for that debt will be credited back to the relevant service area.