

Financial Regulations

Devon County Council

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INTRODUCTION

The Purpose of Financial Regulations

1. Devon County Council (the Authority) is responsible for many millions of pounds of public money and has a number of statutory responsibilities in relation to its financial affairs.
2. The Local Government Act 1972 directs that Authorities shall make arrangements for the proper administration of their financial affairs and that one of their officers be responsible for the administration of those affairs. The Constitution of the Authority designates the Director of Finance and Public Value as the Chief Finance Officer and the Section 151 Officer and therefore the officer responsible for establishing and maintaining the Authority's Financial Regulations and the Financial Procedures which set out how the regulations will be implemented. The Financial Regulations set out the financial policies of the Authority. The Chief Finance Officer is responsible for presenting all updates which must be approved by the Council and any breaches of these regulations must be reported to Cabinet.
3. The Chief Finance Officer is also responsible for the accounting system, ensuring, by maintaining an effective and adequate internal audit, that all accounting records are satisfactorily maintained.
4. For employees, these regulations form part of the Corporate Employee Code of Conduct, so a breach will be considered a disciplinary offence which will invoke those procedures (and can lead to dismissal).
5. For Members, adherence to these regulations form part of the Members' Code of Conduct ([The Constitution](#) see 6a) so any breach of the Code will be reported to the Monitoring Officer and Standards Committee in line with agreed processes who will make an appropriate decision on actions to be taken.

Status of Financial Regulations

1. Financial regulations provide the framework for managing the Authority's financial affairs. They apply to every Member and Officer of the Authority and anyone acting on its behalf.
2. The regulations identify the financial responsibilities of the Council, Cabinet and Scrutiny Members, the Head of Paid Service (the Chief Executive), Directors, the Monitoring Officer (Director of Legal and Democratic Services), the Chief Finance Officer (Director of Finance and Public Value) and other Heads of Service.
3. All members and officers have a responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these

resources is legal, properly authorised, provides value for money, and achieves best value.

4. Directors are responsible for ensuring that all staff in their directorates are aware of the existence and content of these Financial Regulations and of the Financial Procedures and that they comply with them.
5. The authority's detailed financial procedures which officers must follow, are contained in Financial Procedures documentation which fall under the jurisdiction of the Chief Finance Officer and are accessible to all officers.

Where Financial Regulations fit in

1. Financial Regulations are linked to other internal regulatory documents forming part of the Authority's Constitution ([The Constitution](#)). The Financial Regulations are Part 5c of the Code of Business Conduct ([The Constitution](#), Part 5) which is the collective term for various Authority regulations and provisions such as Procurement Policy (5b), Financial Regulations (5c), Contract Procedure Rules (5d), Electronic Transactions (5f), Disposal of Surplus Property (5g), and Insurance (5h). It also encompasses the Good Practice Guide (5j) and Procedures for Tenders and Contracts (5e).

Financial Principles

1. The Authority is responsible for the stewardship of public money and will make arrangements to safeguard the interests of taxpayers and other stakeholders.
2. The Authority expects its members and officers to exercise high standards in financial management and administration and aims to stimulate openness and a climate of frankness that it will support through policies and regulations, such as the Whistleblowing Policy ([The Constitution](#) 5i). The Authority upholds the [Nolan Principles](#) and its [Best Value Duty](#).

A FINANCIAL MANAGEMENT

Financial Management covers all financial accountabilities in relation to the running of the Authority, including the policy framework and budget. Below are set out the main areas of responsibility of financial management.

A1. The Council

1. The Council is responsible for adopting [The Constitution](#) and Members' Code of Conduct (6a) and for approving the Budget and Policy Framework (4b) and borrowing within which the Cabinet operates. The functions are set out in [Article 4 of the Constitution](#). It is also responsible for approving and monitoring compliance with agreed policy and reporting decisions taken.

A2. The Cabinet

1. The Cabinet is responsible for proposing the policy framework (see B1 below) and budget to the Council. Within the approved policy and budget frameworks the Cabinet is responsible for day-to-day direction of the Council's affairs. The Constitution provides for the necessary decision-making at three levels (Article 13 describes the below):
 - a. Key Decisions - decisions which by reason of their financial, strategic, or corporate importance are taken by the whole Cabinet.
 - b. Cabinet Member Decisions – each member of the Cabinet is assigned a particular area of service responsibility (a Cabinet Remit) and can take decisions within that remit after the proposal has been notified to all members of the Council.
 - c. Director & Heads of Service Decisions – decisions taken within a Director's professional or management role or in accordance with specific delegated powers.
2. The decision making protocol and delegations are described in the Scheme of Delegation ([The Constitution](#) 3c).

A3. Committees

1. [Scrutiny Committees](#) are responsible for scrutinising Cabinet decisions and for holding the Cabinet to account.
2. The [Audit Committee](#) has delegated authority from the Council. It has the right of access to all of the information it considers necessary and can consult directly with internal or

external auditors. The Committee's remit is internal control and governance. It is responsible for reviewing and approving the Annual Governance Statement and Statement of Accounts on behalf of the Authority. It reviews the external auditor's plans and reports for the Authority and the Pension Fund and the internal audit's annual plan and report. The Audit Committee also receives reports regarding the Authority's risk management arrangements and risk register.

3. The [Standards Committee](#) is responsible for advising the Council on the adoption and revision of the Members Code of Conduct and for monitoring the operation of the code.

A4. Statutory Officers

1. The Head of Paid Service is responsible for the corporate and overall strategic management of the Authority as a whole. They must report to and provide information for the Cabinet, the Council, Scrutiny Committees, and other Committees. They are responsible for establishing a framework for management direction and standards and for monitoring the performance of the organisation.
2. The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and for reporting any actual or potential breaches of the law or maladministration and for ensuring that the procedures for recording and reporting key decisions are operating effectively. The Monitoring Officer is responsible for advising all members and officers about who has the authority to take a particular decision and whether a decision is likely to be considered contrary to the policy framework. The Monitoring Officer and the Chief Finance Officer are also responsible for advising the Cabinet or Council if a decision could be considered contrary to the budget.
3. The Chief Finance Officer has responsibility for the proper administration of the Authority's financial affairs. This includes ensuring compliance with the Detailed Standards, with key financial controls, providing financial advice and advising on the corporate financial position, advising on preparation of revenue and capital budgets, and treasury management.
4. The Chief Finance Officer is also responsible for ensuring lawfulness and the financial prudence of decision making. After consulting with the Head of the Paid Service and the Monitoring Officer, the Chief Finance Officer will report to the Council or to the Cabinet in relation to a Cabinet function and the Authority's external auditor if they consider that any proposal, decision or course of action will involve incurring unlawful expenditure or is unlawful and is likely to cause a loss or deficiency or if the Authority is about to enter an item of account unlawfully. The Chief Finance Officer, in conjunction with the Chief Executive and after consultation with the Leader of the Council, shall have the powers to take any action necessary to safeguard the interests of the Authority.

5. The Chief Finance Officer is responsible for advising Committees on all financial matters. They must be consulted on all financial matters and given adequate opportunity to provide written comment in any report with financial implications. All reports to the Cabinet or Committees with significant financial implications are to be made under the joint names of the Head of Service concerned and the Chief Finance Officer.
6. Where the urgency procedures (pt. 8) set out in the Authority's Constitution are to be invoked, the Chief Finance Officer must first be consulted on financial and other resource implications.
7. Revenue budgets delegated to schools under DfE Regulations are outside the scope of these regulations and are subject to the conditions set out in the Scheme for Financing Schools updated annually.
8. The Money Laundering Reporting Officer is responsible for notifying the National Crime Agency (NCA) of any suspected cases of money laundering committed within the accounts of the Authority, the Pension Fund, or any other funds for which the Authority is the Accountable Body, as soon as possible and fulfil other duties as defined by legislation or regulation related to the post. Simultaneously, the Cabinet Member for Finance will be kept informed of any notifications to NCA and of any issues arising from them.
9. The Deputy S151 Officer is appointed as the Money Laundering Reporting Officer and the Head of Devon Audit Partnership is appointed as the Deputy Money Laundering Reporting Officer.

A5. Financial Control

1. Directors must operate efficient systems of financial control and are responsible for:
 - a. ensuring that Cabinet members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer.
 - b. ensuring that Cabinet members are advised of legal implications of all proposals and that the legal implications have been agreed with the Monitoring Officer.
 - c. the signing of contracts on behalf of the Authority (except where the seal of the Authority is applied). Directors may, however, delegate authority to sign contracts below £1,000,000 to Heads of Service or an Officer to whom they have specifically delegated authority to sign contracts within their area of responsibility. In all cases before signing a contract the officer concerned must be satisfied that the necessary approval to award the contract has been obtained. Where contract variation could increase the value of the contract to be in excess of £1,000,000, approval from the Director must be sought.

- d. Consulting with the Chief Finance Officer and seeking his/her approval on any matter that could materially affect the Authority's financial position before any commitments are incurred.

A6. Accounting Arrangements

1. The Chief Finance Officer is responsible for keeping the accounts and financial records of the Authority. They must also approve accounting and other systems with a financial function and accounting records of directorates.
2. Accounting procedures will reflect recommended professional practices, and follow accounting principles as determined by the Chief Finance Officer. Accounting procedures will be reviewed as necessary by the Chief Finance Officer in consultation with Directors and Heads of Service to ensure that they provide the information required by both without duplication of records.
3. No change to existing accounting procedures must be made without prior consultation with the Chief Finance Officer.
4. The Chief Finance Officer must examine and certify where required any submission, estimate, or claim for payment of grant by a Government Department or funding from any other body. Officers responsible for the administration of such grants, funds and spending associated with them must ensure compliance with the conditions of the grant/funding and where appropriate adhere to the (internal document) Authority's Minimum Standards for External Funding.
5. The Chief Finance Officer, where required, must examine, and certify any financial return to a Government Department or other body.

A7. Year-end accounting

1. The Chief Finance Officer is responsible for ensuring that the Annual Statement of Accounts is prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom," (CIPFA/LASAAC). The Cabinet is responsible for approving the annual Revenue and Capital Outturn and for agreeing procedures for carrying forward under and overspending on budget headings. The Authority's final financial position as presented in the Annual Statement of Accounts will be approved by the Audit Committee on behalf of the Council.

A8. Use of Consultants

1. If any person is to be engaged either as interim manager, consultant, professional or to fulfil the position of an Office Holder they shall be engaged under the (internal) Hiring Temps, Agency Workers, Interims & Consultants Policy. They will be subject to

approvals in line with those of procurement & purchasing as set out in the Constitution and to comply with Tax Legislation. Any waivers of this regulation shall be in line with that of waivers for Tenders. For engagements at Director level, approval shall be sought through the Appointments Committee.

2. Directors, in consultation with the Leader and the service Cabinet Member may appoint specialist consultants up to the total contract value of £100,000 per consultant. Where the total required value is over £100,000 approval must be obtained from the Chief Executive and the appropriate cabinet member.

B. FINANCIAL PLANNING AND CONTROL OF EXPENDITURE

Sound budget management is crucial to informing good decision making and achieving value for money and best value in the use of the Authority's resources.

B1. Policy Framework

1. The Council is responsible for agreeing the Authority's policy framework and budget that will be proposed by the Cabinet. In terms of financial planning the key elements are:
 - a. The Strategic Plan
 - b. The medium-term financial plan
 - c. The annual revenue budget
 - d. The capital strategy
 - e. The multi-year capital programme budget
 - f. The Treasury Management Strategy

B2. Revenue Budget Preparation

1. The Chief Finance Officer is responsible for ensuring that a revenue budget for the coming year and a medium-term financial plan for the four subsequent financial years is prepared annually for consideration by the Cabinet.
2. The Chief Finance Officer is responsible for providing guidance on the general format of the budget.
3. The Cabinet is responsible for setting a target budget for each service area.
4. Subsequently Directors will prepare, in consultation with the Heads of Service and relevant Cabinet Member and in accordance with the framework set down by the Chief Finance Officer an estimate of income and expenditure for the ensuing financial year within the spending targets set by the Cabinet.
5. The Cabinet will then submit a 'final budget' to the Council which is recommended for approval.
6. The Chief Finance Officer is responsible for reporting to the Council on the robustness of estimates contained within the budget proposed by the Cabinet and the adequacy of reserves allowed for in the budget proposals.

B3. Resource Allocation

1. The Chief Finance Officer is responsible for developing and maintaining a resource allocation process that ensures that both capital and revenue expenditure plans take account of the Authority's policy framework (B1.1) and changing priorities within that.
2. It is the responsibility of Directors to ensure that the revenue and capital budget estimates reflect agreed service plans, are in line with the medium-term financial plan, the capital strategy and that they follow any guidance issued by the Cabinet. The guidance will take account of the following:
 - a. Legal requirements
 - b. Medium term planning prospects
 - c. The Strategic Plan
 - d. Available resources and spending pressures
 - e. Value for money and best value
 - f. Other cross cutting issues

B4. Maintenance of Reserves

1. It is the responsibility of the Chief Finance Officer to provide the Cabinet with a written report on levels of reserves that are considered prudent. This advice to be based on an annual risk assessment of the Authority.
2. The Authority's medium term financial plan should, in part, be based on how to either reach or maintain the recommended level of reserves.

B5. Revenue Budget Monitoring and Control

1. Management and control of a Service budget (or part where appropriate) is the responsibility of the appropriate Director.
2. Directors must ensure that there are designated senior officers accountable to them for the detailed management of their budget and notify the Chief Finance Officer of those so designated.
3. Directors and the Chief Finance Officer will jointly carry out regular budget monitoring and reporting to identify financial problems and key issues and to recommend the action necessary to resolve them. Responsibility for the delivery of such actions rests with the Director.
4. Monitoring reports defining service financial problems and key issues with recommended action will be made to the Cabinet on a regular basis.

5. With the explicit approval of the Cabinet in each case, and subject to the overall outturn position, at the end of each financial year any net under-spending within a Service's revenue budget may be carried forward into the following year.
6. The Authority's final financial position as presented in the Annual Statement of Accounts will be approved by the Audit Committee.

B6. Authority to Incur Revenue Expenditure

1. No expenditure shall be incurred or any reduction in income authorised by any officer or Committee unless such expenditure or reduction in income is:
 - a. covered by the annual or supplementary budgets approved by the Cabinet.
 - b. the benefit of a carried forward under-spending (See B5.5)
 - c. covered by a virement (see B7)

B7. Virements

1. Where a virement represents a major change in policy and is greater than £100,000, the Director and the Chief Finance Officer need to prepare a brief report for the Cabinet seeking its approval to the policy change and the associated virement.
2. All other virements should be approved by the Director or nominated representative and the Chief Finance Officer informed in writing.

B8. Capital Expenditure and Leasing

Preparation of the capital programme

1. The Chief Finance Officer is responsible for ensuring a five-year capital programme is prepared and submitted to Cabinet for approval.
2. Before items are included in the proposed capital programme a business case must be produced. Programmes of work may be aggregated, but where the programme or the project has a cost of greater than £100,000 a separate business case must be produced and included within the proposed capital programme.
3. The Capital Programme Group will evaluate capital projects and programmes that require internal funding and make recommendations to the Chief Finance Officer.
4. The Chief Finance Officer is responsible for ensuring that the proposed capital programme aligns with the Strategic Plan and the Estates Strategy.
5. The Chief Finance Officer will then recommend the capital programme to Cabinet.
6. Cabinet may delegate approval of targeted programmes of work to Directors or Committees.

7. Any capital expenditure wholly or partially financed by external borrowing must always be approved by Cabinet.
8. Where a capital project or programme has a revenue implication, approval must be sought in line with the regulations set out in section B2 (above).

Control of existing capital projects and programmes

1. The Chief Financial Officer is responsible for ensuring that any amendments to the capital programme align with the Strategic Plan and the Estates Strategy.
2. Approval for amendments to the capital programme, including revisions to existing projects, should be obtained in line with the table below and should include both the amendment to the approved capital programme and its financing.

Limit for new projects or amendment to existing projects	Authorisation required
Any project involving the acquisition of land and/or buildings	The Cabinet member for Policy Corporate and Asset Management in conjunction with the authorisations set out below
For all other projects	The procedures below are for programmes and projects which are internally funded or funded through external grants or contributions. ALL programmes and projects which require external borrowing must go to Cabinet for approval.
Up to £49,999	Head Accountant for Capital & Technical Finance in conjunction with relevant Head of Service
£50,000 to £199,999	Chief Finance Officer with recommendation from: <ul style="list-style-type: none"> • the relevant Head of Service • the Capital Programme Group where the project involves the use of corporate funds

Limit for new projects or amendment to existing projects	Authorisation required
£200,000 to £999,999	<p>Chief Finance Officer, with recommendation from:</p> <ul style="list-style-type: none"> the relevant Head of Service the Capital Programme Group where the project involves the use of corporate funds <p>will seek approval from the relevant Cabinet Member/s via a letter</p>
£1,000,000 and above	<p>For projects wholly externally funded:</p> <p>Chief Finance Officer in conjunction with the relevant Head of Service will seek approval from the relevant Cabinet Member/s via a letter.</p> <p>For projects funded (wholly or partially) internally:</p> <p>Cabinet, based on recommendation from Chief Finance Officer in conjunction with the following:</p> <ul style="list-style-type: none"> the relevant Head of Service the Capital Programme Group Strategic Leadership Team

3. New approvals and variations approved in year must be reported to the Chief Finance Officer as part of the budget monitoring cycle.
4. Capital items purchased must be recorded in the appropriate register or inventory.

Capital receipts

1. The Chief Finance Officer must be informed of all proposed sales of land and buildings so that the effect on financial and property management can be assessed.
2. The procedures for declaring properties surplus to requirements are set out in the [Council's Code of Practice for the Disposal of Surplus Property](#).(5g)
3. The Director of Transformation and Business Services will be responsible for the negotiations of all such sales, with the exception of those relating to the industrial estate, including skills provision, which will be the responsibility of the Head of Economy,

Enterprise & Skills. Approval must be sought from the Chief Finance Officer on the sale of assets at less than full market value.

4. Capital receipts are defined in legislation, and must be accounted for separately from revenue income, in accordance with the Local Government Act 2003. Officers banking these monies must ensure accurate use of capital analysis codes, as well as compliance with the other regulations concerning income, banking, and Tax.
5. All capital receipts will be treated as corporate capital receipts unless specific approval is obtained from the Cabinet for an alternative treatment.

Leasing: Property and other assets

1. All vehicle, plant, furniture, and equipment leasing must be negotiated in conjunction with the Chief Finance Officer. Provision for the acquisition of leased items must be included in the capital programme.
2. All property leases must be notified to the Chief Finance Officer, who will seek the approval of the Cabinet Member for Policy, Corporate and Assets, before a commitment is entered into.

C. RISK MANAGEMENT AND INTERNAL CONTROL

It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Authority. Equally, regulations are needed to ensure arrangements are in place to protect the assets and resources of the Authority.

C1. Risk Management

1. The Audit Committee is responsible for approving the Authority's Risk Management Strategy and for reviewing the overall effectiveness of the strategy.
2. The Chief Finance Officer, in conjunction with Directors and Heads of Service, is responsible for preparing the Authority's Risk Management Policy statement and for promoting it throughout the Authority and updating it.

C2. Internal Control

1. Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient, and effective use of resources and that the Council's assets and interests are safeguarded and the best value duty is upheld.

Systems of internal control

1. The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.
2. It is the responsibility of Directors to establish sound arrangements for planning, appraising, authorising, and controlling their operations to achieve continuous improvement, economy, efficiency, and effectiveness and for achieving best value and their financial performance targets.
3. Directors and Heads of Service are responsible for ensuring staff receive appropriate training to undertake their financial responsibilities, in accordance with any standards set by the Chief Finance Officer.
4. The Chief Finance Officer will prepare an annual statement on the effectiveness of the Authority's system of internal control. This statement will be published as part of the Annual Statement of Accounts and will be approved by the Audit Committee.

C3. Retention of Records

1. Accounting and other records must be retained for periods that comply with the Authority's [Record Retention Schedule](#)

C4. Investments and Treasury Management

1. The Authority adopts the key recommendations of the CIPFA's Treasury Management in Public Services Code of Practice: The Code. Accordingly, the Authority will create and maintain, as the cornerstone for effective treasury management:
 - a. a treasury management policy statement, stating the policies, objectives, and approach to risk management of its treasury management activities.
 - b. suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
 - c. Prudential indicators as shown in the Prudential Code for Capital Management (limits for external borrowing, other long-term liabilities, and related matters).
2. The Council is required to approve certain maximum borrowing levels before the start of each financial year based on the recommendations of the Chief Finance Officer.
3. The Council will receive reports on its treasury management activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMP.
4. The Council delegates responsibility for the implementation and regular monitoring of its treasury management to the Cabinet, and for the execution and administration of treasury management decisions to the Chief Finance Officer.
5. The Corporate Infrastructure and Regulatory Services Scrutiny Committee will be responsible for ensuring the effective scrutiny of the treasury management strategies and policies.
6. The Chief Finance Officer is empowered to make decisions regarding the premature repayment of debt, the acquisition of new debt and debt rescheduling within the borrowing limits set by the Cabinet. All such decisions will be in line with the TMP. A full analysis of the budgetary implications of the debt rescheduling will be undertaken before any decision is reached. This analysis will include an assessment of all risk factors affecting the current and future cost implications of the debt rescheduling.
7. All of the following shall be made in the name of the Authority or in the name of nominees approved by the Cabinet.
 - a. Investments
 - b. Securities

- c. Title deeds to all property
 - d. Borrowings
 - e. Stocks, bonds, and mortgages
 - f. Funds held in trust
8. All officers acting as trustees or controlling funds by virtue of their official position have a duty to exercise due care over the custody of valuables and documents and the administration of funds.

C5. Fraud and Corruption

1. It is considered that all Officers and Members occupy a position in which they are expected to safeguard, or not to act against, the financial interests of the Authority.
2. All Officers and Members are responsible for giving immediate notification to the Head of Internal Audit / Counter Fraud Services Manager where there are grounds to suggest or there is any suspicion of fraudulent activity, financial impropriety or irregularity concerning cash, stores or other property of the Authority or held by the Authority.

C6. Audit Requirements

1. In accordance with delegated powers and the Accounts and Audit Regulations 2015 the Chief Finance Officer shall ensure that the Authority maintains effective arrangements for internal audit to evaluate the effectiveness of its risk management, control, and governance processes, taking into account public sector internal auditing standards and guidance.
2. The Authority is responsible for the appointment of their own external auditor under the provisions of the Local Audit and Accountability Act 2014. Any such appointment must be approved by Council.
3. The Authority may, from time to time, be subject to audit, inspection, or investigation by external bodies such as HM Revenue and Customs who have statutory rights of access.

C7. Staffing

1. The Chief Executive in consultation with the Leader is responsible for determining how officer support for the Cabinet and Executive Members and for all other Member roles within the Council will be organised.
2. Directors are responsible for the operation of the following controls over staffing:
 - a. A staffing strategy is in place that matches staffing requirements and budget allocations
 - b. Appropriate methods are used to forecast staffing requirements and related costs.

- c. Staffing establishments specified as full time equivalents are approved alongside the annual budget and the budget includes the costs for the staffing establishment at the grades designated.
 - d. For any subsequent increases in establishment levels, funding must exist and approval is required from the Head of Service, Chief Finance Officer, and appropriate Cabinet member
 - e. Procedures are in place to ensure that only properly authorised vacancies are advertised.
 - f. Monitoring of full-time equivalents against budget is undertaken on a quarterly basis.
 - g. Corporate minimum standards on recruitment and selection are followed at all stages of the recruitment process.
- 3. The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees shall be made in accordance with the Financial Procedures as issued by the Chief Finance Officer.
 - 4. The Director of People and Culture is responsible for the correct payment of all salaries, wages, compensation, and other emoluments to all employees of the Authority.
 - 5. The Chief Finance Officer is responsible for the correct payment of pensions to ex-employees of the Authority.

C8. Guarantees

Where there is a need for the issue of a guarantee which has potential financial or resource implications, this must be agreed with the Chief Executive or relevant Director, as appropriate, and agreed with the Chief Finance Officer.

D. INCOME, BANKING AND TAXATION

D1. Income and Banking

Income

1. Heads of Service/Directors are responsible for accurately identifying the sums due to the Authority.
2. [Scales of charges](#) for services and allowances and any variations thereof (except where fixed by statute) must be reviewed annually by the Chief Executive or the relevant Director, as appropriate. Any proposed variations must be agreed with the Chief Finance Officer and Cabinet Member via a delegated decision. Any new schemes for fees and charges must be reviewed by the Chief Executive or the relevant Chief Officer, as appropriate, and agreed with the Chief Finance Officer and submitted to Cabinet for approval.
3. New fees, charges and allowances must be reviewed by the Chief Executive or the relevant Director, as appropriate, and agreed with the Chief Finance Officer and submitted to Cabinet for approval.

Banking arrangements

1. The Chief Finance Officer is the sole officer authorised to make arrangements regarding the Council's bank accounts in accordance with the detailed standards.
2. The Chief Finance Officer will make arrangements for regular overall bank reconciliation.

D2. Taxation

1. The Chief Finance Officer is responsible for advising Directors of guidance issued by appropriate bodies and relevant legislation as it applies, on all matters relating to taxation of both revenue and capital items including the treatment of VAT and employee related taxation issues that affect the Authority and ensuring compliance with relevant legislation.
2. The Chief Finance Officer is responsible for maintaining the Authority's VAT records, making all VAT payments, receiving VAT credits, and submitting VAT returns by their due date as appropriate.

E. COLLABORATIVE AND AGENCY ARRANGEMENTS, EXTERNAL FUNDING AND SERVICE CHANGES

The Authority has a distinctive leadership role for the community, bringing together contributions from various stakeholders, optimising funding opportunities and achieving best value whilst minimising the risk to Devon ratepayers.

This may involve the establishment of collaborative arrangements (formal or informal partnerships), joint ventures, joint operational models (such as pooled budgets) or providing an agency service.

It is essential that the responsibilities, obligations, and commitment attached to such arrangements are properly assessed and understood prior to any commitments being made, and then managed and accounted for appropriately.

E1. Collaborative Arrangements, Joint Ventures, and Joint Operational Models

1. The Chief Finance Officer must be consulted on the financial and probity implications of all proposed arrangements before any such agreements are finalised. Final arrangements must then be approved by the Chief Finance Officer.
2. Formal joint ventures will be subject to Cabinet approval. All proposals for formal joint ventures must be assessed through robust options analysis and appraisal with the preferred option being recommended by the Chief Finance Officer to the Cabinet for approval. Approval must be gained in advance of the signing of any agreements or formal commitment of the Authority.

E2. External Funding

1. Any proposal for the Authority to be the Accountable and/or Lead body must be approved by the Chief Finance Officer.
2. Prior to the submission of any bid for external funding, the Chief Finance Officer must be consulted on the financial and probity implications of the project, except for projects with a gross spend of less than £50,000 which require approval from the Head of Service. This covers all funding which is competitively bid and/or where funding bodies are

extending current funding proposals or allocating new funds. External Funding Minimum Standards describe the process for committing to external funds.

E3. Work for Third Parties (Agency arrangements)

1. The relevant Director is responsible for approving the contractual arrangements for any work for third parties or external bodies. The Chief Finance Officer must be consulted on any proposed arrangements to ensure that proposals are costed properly before an agreement is reached.

E4. Alternative Commissioning/Delivery Models

1. The Director must seek approval from the Chief Finance Officer and Director of Legal and Democratic Services on the financial and probity implications of proposals which change the mode of delivery for a service or significant part thereof.
2. All options considered should be fully costed and appraised to lead to the selection of a business case based on the preferred option. Consideration must be given to the financial impact of the transfer of pension rights and liabilities arising as a result of any insourcing or outsourcing proposals.
3. The business case must then be approved by Cabinet.

GLOSSARY OF TERMS

Term	Description
(the) Authority	The statutory organisation that is Devon County Council
Best Value	The consideration of overall value, including economic, environmental, and social value, of any project or planned expenditure.
Capital expenditure	<p>Capital expenditure includes the following:</p> <ol style="list-style-type: none"> 1. the acquisition of land, buildings, furniture, equipment, plant, and vehicles. 2. the construction of new buildings or improvements to existing buildings. 3. road improvements, bridgeworks, and traffic management and waste disposal schemes. 4. internal or external professional fee costs on the above. 5. grants and advances for a capital purpose. 6. property leases for more than three years duration. <p>Other expenditure may be brought within the definition of capital expenditure by Central Government Regulations.</p>
Capital receipt	The sale of land, buildings and leases of land or buildings of more than three years duration, are capital receipts. Particular rules must be observed in dealing with the proceeds.
Council	This refers to the strategic decision-making body which consists of the democratically elected members.
Directors and Heads of Service	The Leadership Team as described within the Authority's Constitution
Value for Money	The optimal use of resources to achieve the intended outcomes. This does not mean the cheapest price.
Virement	Movements of budget provisions between budget headings.