



SECTION 9

9. FINANCIAL PROCEDURE RULES

9.1 INTRODUCTION

- 9.1.1 These rules provide the framework for managing the CJC's financial affairs. They apply to every member and officer of the CJC and anyone acting on its behalf, and failure to comply with Financial Procedure Rules may result in disciplinary action.
- 9.1.2 These rules shall be read and construed in conjunction with other parts of the CJC's Constitution and procedure rules and shall be deemed to be in addition to and not in substitution for or in derogation from such regulations.
- 9.1.3 These rules shall not affect the legal liability under statute or otherwise of any third party towards the CJC.
- 9.1.4 Other than in regulations 9.2.4 to 9.2.10 which specifically refer to the person appointed as the CJC's Chief Finance Officer ("Section 151 Officer"), where these regulations refer to "the Chief Finance Officer", this shall mean "the Chief Finance Officer or other finance officer nominated as the Chief Finance Officer's representative". Where these rules refer to "the Chief Executive" this shall mean the "Chief Executive, or other officer nominated as the Chief Executive's representative". Where these rules refer to a "Senior Manager" this shall mean the relevant posts denoted as such by the Chief Executive.
- 9.1.5 Unless otherwise stated, where these Rules refer to a "financial year", it is the period from 1st April in any one year to 31st March the following year.

9.2 FUNCTIONS AND RESPONSIBILITIES

Duties of the Corporate Joint Committee

- 9.2.1 The CJC has a duty towards the Council Tax payers of north Wales in terms of financial decisions and their outcomes. The CJC is responsible for approving expenditure estimates and the Budget, taking into account the comments of the Chief Finance Officer in his report on the robustness of the estimates and the adequacy the financial reserves under Section 25 of the Local Government Act 2003. The budgeting process includes approval of Prudential Indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities. It is also



responsible for approving and monitoring compliance with the CJC's overall management.

9.2.2 The CJC also carries out Executive Functions and sets expenditure priorities in accordance with the Budget. The CJC is responsible for organising, supervising, and managing all funds and accounts of the CJC and all its services, and co-ordinate financial and accounting arrangements.

Duties of the Governance and Audit Committee

9.2.3 The Governance and Audit Committee will implement the statutory requirements placed upon it pursuant to the Local Government (Wales) Measure 2011. This includes monitoring and reviewing the propriety of budgets, financial strategy, accounting, and financial management of the CJC and all its services through reviewing financial procedures, promotion of risk management, internal control and good governance and development of a culture that militates against fraud.

Duties of the Responsible Finance Officer

9.2.4 The Chief Finance Officer shall be the officer responsible for the administration of financial affairs as required by Section 151 of the Local Government Act 1972; and shall issue and amend from time to time detailed guidelines as required.

9.2.5 In addition to the responsibility under Section 151 of the Local Government Act 1972, the Chief Finance Officer also has statutory duties in relation to the financial administration and stewardship of the CJC. This statutory responsibility cannot be overridden. These further statutory duties arise from:-

- (a) The Local Government Finance Act 1988
- (b) The Local Government and Housing Act 1989
- (c) The Accounts and Audit (Wales) Regulations 2014
- (d) The Local Government Act 2003

9.2.6 The Chief Finance Officer is responsible for

- (a) the proper administration of the CJC's financial affairs;
- (b) setting and monitoring compliance with financial management standards;
- (c) reporting on the robustness of estimates, and also the adequacy of the proposed financial and controlled reserves for the purposes of making budgetary calculations.



- 9.2.7 In accordance with Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer shall report to the CJC and external auditor if it appears to him that the CJC, a committee of the CJC, a joint committee on which the CJC is represented, or one of its officers:
- (a) has made, or is about to make, a decision which involves incurring unlawful expenditure;
 - (b) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the CJC;
 - (c) is about to make an unlawful entry in the CJC's accounts.
- 9.2.8 In preparing such a report as required by Section 114 of the 1988 Act, the Chief Finance Officer shall:
- (a) consult with the Monitoring Officer on the issue of unlawfulness;
 - (b) consult with the Chief Executive on the matter;
 - (c) if there is a disagreement or doubt, ask the Monitoring Officer to obtain Opinion of Counsel.
- 9.2.9 Any such report is to be sent to all members of the CJC and the external auditor. Once a report is made, the CJC is required to hold a meeting within 21 days to consider it. The course of conduct which led to the report must not be pursued until the CJC has considered the report.
- 9.2.10 Also in accordance with Section 114 of the 1988 Act:
- (a) the Chief Finance Officer shall nominate a properly qualified member of staff to deputise should he be unable to perform the duties under Section 114 personally;
 - (b) the CJC shall provide the Chief Finance Officer with sufficient resources to carry out the duties under Section 114 and Section 151 of the Local Government Finance Act.
- 9.2.11 No report will be presented to the CJC unless it has first been submitted to the Chief Finance Officer for comments on financial implications of recommendations. Before issuing financial information to outside bodies and individuals, officers or members shall consult with the Chief Finance Officer or his representative to ensure accuracy. The Chief Finance Officer must be consulted personally where any of his representatives deems that the information is commercially sensitive.



- 9.2.12 The Chief Finance Officer shall recommend such changes to the Financial Procedure Rules as he considers necessary and desirable for the proper administration of the finances of the CJC.

Duties of the Chief Executive

- 9.2.13 The Chief Executive is responsible for carrying out Executive Functions and prioritising expenditure in line with the Budget.
- 9.2.14 The Chief Executive shall ensure that sound principles of internal check are applied in the CJC to the satisfaction of the Chief Finance Officer. In particular:
- (a) the duties of providing information regarding sums due to or from the CJC and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them;
 - (b) officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
- 9.2.15 The Chief Executive must satisfy the Chief Finance Officer that every proposal presented to the CJC or any Sub-Committee is lawful and that the costs can be addressed within the service's budget allocation or there is a report suggesting how the expenditure is to be funded.

9.3 TREATMENT OF YEAR-END BALANCES

- 9.3.1 No service or officer may plan to spend in excess of the sum authorised in the annual Revenue Budget plus any surplus (or less any deficit) brought forward.
- 9.3.2 The CJC shall determine the use to which carried-forward balances are applied, following consultation with the Chief Executive and Chief Finance Officer.
- 9.3.2 The Chief Finance Officer shall report to the CJC on the underspend / overspend which is attributable to each service.
- 9.3.4 In the event that any service has an accumulated deficit, the Chief Finance Officer after consulting with the Chief Executive may impose such restrictions on that service's expenditure and virements as he considers necessary to reduce this deficit.

9.4 ACCOUNTING POLICIES

- 9.4.1 The Chief Finance Officer shall be responsible for selecting accounting policies and ensuring that they are lawful and applied consistently. All accounting procedures and



records of the CJC and its officers shall therefore be in a form approved by the Chief Finance Officer.

9.4.2 The Chief Finance Officer shall:

- (a) arrange for the compilation of all accounts and accounting records under his or her direction;
- (b) be 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: A Statement of Recommended Practice (CIPFA/LASACC);
- (c) sign and date the statement of accounts, stating that it presents fairly the financial position of the CJC at the accounting date and its income and expenditure for the year ended 31st March;
- (d) make proper arrangements for the audit of the CJC's accounts in accordance with the Accounts and Audit Regulations;
- (e) prepare and publish the accounts of the CJC for each financial year, in accordance with the Regulations before the due date.

9.4.3 The CJC is responsible for approving the annual statement of accounts as soon as possible following publication of the external auditor's report on the accounts, and either by the date provided for in statute or any alternative date provided by Welsh Government.

9.5 ACCOUNTING RECORDS AND RETURNS AND THE ANNUAL STATEMENT OF ACCOUNTS

9.5.1 Further to regulation 17A of the North Wales Corporate Joint Committee Regulations 2021 the CJC must establish and maintain a fund to be known as the North Wales CJC's general fund.

9.5.2 The CJC's main financial records shall be maintained as stipulated by the Chief Finance Officer, whether accountancy and financial services are provided directly by CJC staff or by an external provider. The Chief Finance Officer is responsible for keeping oversight of all financial systems and records.

9.5.3 The Chief Finance Officer shall ensure, in so far as it is practicable, that the CJC's Accounting Records and Statements comply with proper accounting practices (statutory and non-statutory) applicable to the CJC.



- 9.5.4 The Chief Finance Officer shall be responsible for ensuring that the costs of Central Services are fairly and properly allocated to accounts and services of the CJC in accordance with CIPFA's Service Reporting Code of Practice.

9.6 FINANCIAL PLANNING

Budgeting

- 9.6.1 The Revenue Budget shall constitute the maximum authority to spend on any service or officer.
- 9.6.2 The revenue budget shall be devolved to each cost centre, and further devolved to a level of subjective analysis as deemed appropriate by the Chief Finance Officer.
- 9.6.3 Early in the planning cycle, the CJC shall consider the guidelines which service managers should adopt in preparing their service plans and the revenue consequences of these plans.
- 9.6.4 The Chief Finance Officer shall prescribe the detailed form of content of the revenue estimates.
- 9.6.5 The Chief Finance Officer, following consultation with the Chief Executive, shall arrange for the Financial Strategy (including the revenue budget) to be prepared and presented to the CJC.
- 9.6.6 The CJC, after considering the proposed budgets of each service, shall determine no later than 31st January in any year, on the following matters:
- (a) the level of revenue spending in the forthcoming financial year;
 - (b) the distribution of revenue expenditure between services;
 - (c) the level of balances which should be maintained;
 - (d) the CJC levy in the ensuing financial year to be charged to each constituent authority;
 - (e) the level of the contingency in the Revenue Budget to cover unexpected events or events which are expected but the magnitude of their effect is unknown.
- 9.6.7 In the event that resources are freed from the capital programme or if an external grant is receivable for a new scheme during the year, the CJC may approve the use of any resources available, including whether new schemes should be added to the capital programme as a result, subject to consultation with the Chief Executive and the Chief Finance Officer.



Budget Monitoring and Control

- 9.6.8 The Chief Executive and Senior Managers are authorised to incur expenditure in accordance with the estimates approved by the CJC and further to the scheme of delegation, as amended by any virement made under Financial Procedure Rule 3, or any supplementary estimates approved by the CJC.
- 9.6.9 Any virements shall be in accordance with Financial Procedure Rule 9.7.
- 9.6.10 Supplementary estimates approving expenditure from the CJC's balances not provided for in the Revenue Budget may be approved only by the CJC.
- 9.6.11 In urgent cases when the CJC will not meet in time to act in an emergency, the Chief Executive, in consultation with the Chief Finance Officer and the Chair and Vice Chair, shall have powers to exercise the rights of the CJC as specified above. The Chief Executive must report to the next meeting of the CJC when any action is taken under these powers.
- 9.6.12 Senior Managers shall ensure that all income and expenditure is properly recorded and accounted for against the correct budget head. Under no circumstances shall income or expenditure be coded to a budget head other than that to which it is properly chargeable.
- 9.6.13 The CJC shall establish an appropriate framework of budgetary management and control that ensures that :
- (a) budget management is exercised within annual budget limits;
 - (b) each Senior Manager has available timely, relevant and accurate information receipts and payment on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
 - (c) expenditure is committed only against an approved budget head;
 - (d) all officers responsible for committing expenditure comply with relevant guidance, and these financial procedure rules;
 - (e) each cost centre has a single named manager, determined by the relevant Senior Manager. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure;
 - (f) significant variances from approved budgets are investigated and reported by budget managers regularly.



- 9.6.14 The Chief Executive, in consultation with the Chief Finance Officer, shall ensure that both revenue and capital spending remain within each service's overall budget limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast. Senior Managers should consult with the relevant Finance Managers upon the systems and methods they adopt to ensure such control.
- 9.6.15 Senior Managers should ensure that each budget head/cost centre has a single named manager, determined by the relevant Senior Manager, who will be responsible for monitoring and investigating variances against budget and bringing these to the attention of the Senior Managers and the departmental finance/administration officer.
- 9.6.16 The Chief Finance Officer shall ensure that each Senior Manager has available timely information on receipts and payments on each budget, that is sufficiently detailed to enable managers to fulfil their budget monitoring responsibilities.
- 9.6.17 The Chief Finance Officer shall maintain an overview of the effectiveness of budgetary control arrangements within each service.
- 9.6.18 Senior Managers shall take action as necessary to avoid exceeding their budget allocation and ensure that Budget Managers understand their financial responsibilities. In relation to this, Senior Managers shall also ensure that service levels are monitored in conjunction with the budget and that necessary action is taken to align service outputs and budget.
- 9.6.19 Senior Managers shall report promptly on projected budget variations to the Chief Finance Officer and put forward a budget action plan to bring expenditure back into line with budget, either by corrective action, or, if this is not possible, by the identification of compensating savings elsewhere in their budget.
- 9.6.20 Where a Senior Manager is unable to keep expenditure and resources within existing approved budgets under his or her control, the Chief Finance Officer shall report that matter to the Chief Executive, who shall review a budget action plan, in relation to the CJC's priorities.
- 9.6.21 Following consideration of the matter by the Chief Executive, where a Senior Manager is unable to balance expenditure and resources within existing approved budgets under his or her control, and where the expenditure cannot be resourced from the CJC's overall budget, the Senior Manager shall report to the CJC requesting approval for the use of supplementary estimates, as outlined in Financial Procedure Rule 9.6.10.



- 9.6.22 The Chief Finance Officer must report to the CJC on its overall position on a regular basis. It is also expected that the Chief Finance Officer reports appropriately to the Governance and Audit Committee, to allow that Committee to obtain assurance that the risks associated with the CJC's revenue expenditure received appropriate attention, particularly in areas of significant overspend or underspend.
- 9.6.23 Nothing in the Financial Procedure Rules shall prevent expenditure being incurred which is essential to meet any immediate needs arising from an emergency, including any expenditure under Section 138 of the Local Government Act 1972. Any such expenditure must be reported to the CJC.

Capital programmes (assets)

- 9.6.24 As part of the budgeting cycle, the CJC shall consider the likely level of resources to be made available for capital schemes having considered affordability and sustainability in accordance with the provisions of the Prudential Code and the availability of grant funding.
- 9.6.25 The CJC shall approve the allocation of resources to individual schemes.
- 9.6.26 Each relevant Senior Manager shall submit expenditure profiles for each individual scheme.
- 9.6.27 The inclusion of a scheme in the Capital Programme shall constitute the necessary authority for the scheme to proceed.
- 9.6.28 (a) Each Senior Manager shall submit regular information to the Chief Finance Officer in accordance with guidelines to be formulated by him outlining the actual projected capital expenditure against the approved budget and the Chief Finance Officer will submit a quarterly update report to the CJC.
- (b) Authority may also be given to add schemes to the capital programme where the inclusion of such a scheme is required in order to safeguard the CJC's financial or physical assets or where exceptional opportunities arise, where this approval is consistent with the procedures outlined in Rule 6.8 above.
- 9.6.29 Approval of the CJC to the inclusion of a capital scheme in the programme is given on the basis that the relevant service will finance any additional revenue costs, other than capital financing charges, from within their existing revenue budgets, unless the CJC has approved such specific additional revenue costs.
- 9.6.30 Any deficit in the funding for a scheme included in the Capital Programme shall be met by virement from within the revenue budget, but if the CJC is unable to meet



such a commitment a full report shall be submitted to the CJC on the reasons for the overspend.

- 9.6.31 The CJC shall take appropriate action and may approve supplementary funds in situations where such action is necessary, subject to the annual limit noted in Financial Procedure Rule 9.6.13, and only after having considered a report by the Senior Manager on the matter. Any request for supplementary funds over the ceiling or any change in the approved limit must be referred to the CJC.
- 9.6.32 In circumstances where a virement is made from the revenue budget to the capital budget, the Chief Executive shall be authorised to include new schemes in the capital budget where the virement is made pursuant to the provisions of Financial Procedure Rule 9.7, subject to the constraints noted in that financial rule.
- 9.6.33 The Chief Finance Officer will monitor the generation of capital receipts and will provide monitoring information, compared to the assumption made in the CJC's approved capital programme for the generation of capital receipts, for inclusion in the capital monitoring reports to the CJC.
- 9.6.34 The Chief Executive will have the right to use capital receipts where the value of that use is not in excess of £50,000. Approval by the CJC will be required for such use where the amount is in excess of £50,000.

9.7 SCHEME OF VIREMENT

- 9.7.1 Virement can only be approved if:
 - (a) the proposed expenditure is not contrary to CJC policy;
 - (b) the future revenue burden on the service is not increased Revenue Budget.
- 9.7.2 (a) Virement between headings in a service's budget, either for one year or permanently, may be permitted from Revenue Budgets in accordance with the process set out in the following table:

Cumulative amount for the year	Approval of Virement
Up to £50,000	Chief Executive
£50,000 or above	CJC

- (b) The CJC may release specific sums from any central contingency fund.



Capital Budget

- 9.7.3 Virement between Capital schemes already in the programme may only be approved by the CJC.

9.8 MAINTENANCE OF GENERAL RESERVES

- 9.8.1 The Chief Finance Officer shall advise the CJC on its strategy regarding reserves which shall include those general reserves that it should hold. The Chief Finance Officer shall be responsible for exercising the provisions of Sections 26 and 27 of the Local Government Act 2003.
- 9.8.2 The Chief Finance Officer shall consider annually the appropriateness of the levels of the general reserves and will present the draft strategy to the CJC as part of the budgeting process.
- 9.8.3 General reserves shall be maintained in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.
- 9.8.4 Specific reserves may be established when the CJC earmarks a particular sum for a particular purpose and the sum is not spent in the year in question and may also be established in order to safeguard the CJC against potential financial risks which could arise, or for funds provided to the CJC by third parties.
- 9.8.5 The Chief Finance Officer will be responsible for ensuring that such reserves are utilised for the intended purpose. Any reserves not required for the intended purpose shall be returned to balances unless the CJC determines otherwise.
- 9.8.6 The Chief Finance Officer shall periodically review the level of specific reserves and before closing the final accounts he shall consider their adequacy.
- 9.8.7 Where, in relation to the previous financial year, it appears to the Chief Finance Officer that a specific reserve is or is likely to be inadequate, he must report to the CJC on the reasons for that situation and what action, if any, he considers appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration.
- 9.8.8 The use of any general reserves must be used in accordance with Rules 9.6.10 and 9.6.11.



9.9 RISK MANAGEMENT AND CONTRTOL OF RESOURCES

Risk Management

- 9.9.1 It shall be the responsibility of the Chief Executive to ensure that risk management is brought to the attention of relevant staff in their service areas and that there are regular reviews of risk within their service areas and that risk management controls are developed. Every Senior Manager shall ensure that risk registers are prepared in a form agreed with the Chief Executive.
- 9.9.2 The Chief Finance Officer shall develop financial risk management controls in conjunction with the CJC's Senior Managers.

9.10 INSURANCE

- 9.10.1 The Chief Finance Officer shall effect all insurance cover which may include self-insurance. The Monitoring Officer in consultation with the Chief Finance Officer and any other officer shall negotiate all claims against the CJC not covered by insurance.
- 9.10.2 Senior Managers shall give prompt notification to the CJC's Insurance support service of all new risks, properties or vehicles, which require to be insured and of any alterations or other matters affecting existing insurances, to reflect the principle of utmost good faith.
- 9.10.3 Senior Managers shall forthwith notify the Chief Finance Officer and confirm in writing any loss, liability or damage or of any event likely to lead to a claim. No officer shall admit liability to a claimant, or make any statement which could be construed as such, concerning a matter which may be the subject of a claim.
- 9.10.4 All appropriate employees shall be included in a suitable fidelity guarantee insurance as required under Section 114 of the Local Government Act 1972. The Chief Finance Officer shall be responsible for notifying the insurers of any circumstances required under the terms of the policy, and for making any claims where the CJC has suffered loss.
- 9.10.5 The Chief Finance Officer shall at such periods as he may consider necessary, review all insurances in consultation with other Senior Managers as appropriate.
- 9.10.6 Senior Managers shall consult with the Chief Finance Officer and the Monitoring Officer with respect to the terms of any indemnity which the CJC is requested to give. Senior Managers shall consider and arrange adequate Professional Indemnity Insurance for the duties of staff within their services.



9.11 INTERNAL CONTROLS

- 9.11.1 Senior Managers shall establish effective internal controls, including sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.
- 9.11.2 The Internal Audit provider is responsible for advising on effective systems of internal control. Effective internal control systems should ensure compliance with all relevant statutes and regulations, and other relevant statements of best practice. They should also ensure that public funds are properly safeguarded and used economically, efficiently and in accordance with statutory authorities and other authorities that govern their use.
- 9.11.3 The CJC is required to provide a Statement of Internal Control in accordance with the Accounts and Audit (Wales) Regulations 2014. This statement will be incorporated within the Annual Governance Statement; as part of this statement, the Chief Executive and Chair of the CJC must comment on the effectiveness of the internal control environment of the whole Corporate Joint Committee, as a key indicator of good governance.

9.12 INTERNAL AUDIT

- 9.12.1 The Internal Audit function is operated in accordance with the contents of the relevant Service Level Agreement.
- 9.12.2 The Internal Audit function shall be conducted, as far as is practicable, in accordance with the Public Sector Internal Audit Standards.
- 9.12.3 The Internal Audit Strategy and remit will be included in the CJC's Internal Audit charter which is reviewed and approved by the Governance and Audit Committee.
- 9.12.4 The Chief Executive shall ensure that the Internal Audit Manager, or their authorised representative shall have authority to :-
- (a) enter at all reasonable times on any CJC premises, land or contract sites;
 - (b) have access to all records, documents and correspondence relating to any financial and other transactions of the CJC;
 - (c) require and receive such explanations as are in their opinion necessary concerning any matter under examination;



- (d) require any employee of the CJC to produce cash, stores, or any other property under his control.
- 9.12.5 The Chief Finance Officer shall agree the medium-term and annual audit plans prepared by the Internal Audit Manager which takes account of the characteristics and relative risks of the activities involved. The plans shall be approved by the Governance and Audit Committee.
- 9.12.6 All relevant managers shall consider and respond promptly to agreed actions in audit reports. Senior Managers shall ensure that any agreed actions arising from audit findings are carried out in a timely and efficient fashion in accordance with the agreed action plan.
- 9.12.7 The Internal Audit Manager shall report regularly to the Governance and Audit Committee:
- (a) On the results of Internal Audit work in the preceding period;
 - (b) On any substantial control weaknesses discovered or audited;
 - (c) On any audit recommendations that were not implemented within the agreed timetable, where a failure to act on those recommendations would prolong a substantial control weakness.
 - (d) Progress on completion of the Internal Audit Plan for the current year.

9.13 EXTERNAL AUDIT

- 9.13.1 Each of the CJC's activities are subject to audit under the Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and 2006, the Local Government (Wales) Measures 2009 and 2011 and the Local Government and Elections (Wales) Act 2021.
- 9.13.2 It is an expectation that external auditors act in accordance with the Auditor General's Audit Code of Practice. It is the duty of all officers of the CJC to avoid preventing the auditor from complying with the Code.
- 9.13.3 The Chief Executive is responsible for co-ordinating the CJC's relationship with the Audit Wales's Relationship Manager for the purposes of external audit and inspection. Officers are required to inform the Chief Executive if they believe that the external auditors are not acting in compliance with the Auditor General's Code of Audit Practice.



- 9.13.4 The Chief Finance Officer will develop co-operation and working relations with the Relationship Manager and the appointed Auditor, including giving and receiving relevant information, whether confidential or not, and :-
- (a) ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work;
 - (b) ensure there is effective liaison between external and internal audit;
 - (c) work with the external auditor and advise the CJC, Chief Executive and Senior Managers on their responsibilities in relation to external audit;
 - (d) ensure that all records and systems are up to date and available for inspection.

9.14 PREVENTING FRAUD AND CORRUPTION

- 9.14.1 The CJC shall adopt, maintain, and promulgate an effective anti- fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption.
- 9.14.2 Managers shall deal swiftly and firmly, and in accordance with these Financial Procedure Rules and the CJC's Anti-Fraud, Anti-Bribery and Anti-Corruption Strategy, with those who defrauded or attempt to defraud the authority, accept or offer bribes or who are corrupt.
- 9.14.3 Officers of the CJC shall at all times ensure that any receipt of gifts or hospitality is done so in full compliance with the CJC's Code of Practice on the Receipt of Gifts and Hospitality Officers shall also at all times, ensure compliance with the Staff Code of Conduct.
- 9.14.4 Members of the CJC shall at all times ensure compliance with the Code of Conduct for Members and shall not accept gifts or hospitality from third parties except in so far as they fall within that allowed by the Code of Conduct.
- 9.14.5 The Chief Executive shall put in place appropriate whistle blowing procedures, including maintaining a Whistleblowing Policy, and ensure that these procedures are operated effectively and reviewed regularly.
- 9.14.6 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or any arrangements to claim an inappropriate payment from the CJC (including timesheets or travelling claims), or other property of the CJC, the Senior Manager or other officer making the discovery shall comply with the CJC's Anti-Fraud Strategy and forthwith notify the Chief Finance Officer and/or



Internal Audit Manager, who shall take such steps as they consider necessary by way of investigation and report.

- 9.14.7 Provided that where, on consideration of such a report, the Monitoring Officer is of the opinion that there is a prime facie breach of the criminal law, at the discretion of the Chief Finance Officer, the matter shall be reported to the Police for further investigation. If an employee of the CJC is involved, disciplinary action shall be taken as a matter of urgency in accordance with the CJC's Disciplinary Procedures whether or not the matter is referred to the Police.
- 9.14.8 Whenever there is a loss of property (including loss by fire) or cash the Senior Manager or other officer making the discovery shall forthwith notify the CJC's Insurance and Risk Service who shall be responsible for making such claims as are appropriate on the CJC's Insurers.

9.15 ASSETS

Security

- 9.15.1 The Chief Executive shall establish and maintain a terrier of all land and buildings owned by or leased to the CJC (including agreements for lease, tenancy agreements and licences) recording date of acquisition or appropriation, purpose for which held, holding service, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies and licences granted.
- 9.15.2 Each Senior Manager shall, in respect of land or buildings, for which he is responsible, ensure that they are properly used for the purposes for which they are held; that they are inspected no less frequently than annually and that adequate steps are taken to safeguard the CJC's title thereto.
- 9.15.3 Each Senior Manager is responsible for maintaining property security at all times for all buildings, stocks, stores, furniture, equipment, records, cash, etc., under his control and for security of access to computer systems under his control. He shall consult the Chief Finance Officer in any case where it appears that security is lacking or where special security arrangements are considered necessary.
- 9.15.4 Every officer shall make suitable arrangements for the protection of information under their control, whether on computer systems or otherwise, including the security of passwords.
- 9.15.5 The Chief Finance Officer shall be responsible for maintaining proper security and protection of information on the CJC's IT support systems and shall arrange for



review of each transfer of data from and to subsidiary systems before and after such transfers in order to ensure the integrity of the data.

Inventories

- 9.15.6 Inventories by location shall be maintained by all departments and therein shall be recorded an adequate description of furniture, fittings, and equipment (including ICT equipment). The extent to which the property of the CJC shall be so recorded, and the form in which the inventories shall be kept, shall be determined by the Chief Finance Officer in consultation with the Senior Manager concerned.
- 9.15.7 The CJC's property shall not be removed otherwise than in accordance with the ordinary course of the CJC's business or used otherwise than for the CJC's purposes except in accordance with specified directions issued by the Senior Manager concerned.
- 9.15.8 Disposals of surplus property, other than land and buildings, shall be carried out in accordance with any guidance provided by the Chief Executive and/or Chief Finance Officer.

Intellectual Property

- 9.15.9 Senior Managers shall make sure that controls are in place to ensure that employees do not carry out private work during periods when they are working for the CJC and that employees are aware of an employer's rights with regard to intellectual property.
- 9.15.10 No senior employee shall, during the course of his employment, undertake work other than work for or on behalf of the CJC, without the approval of the Senior Manager, in accordance with the Staff Code of Conduct.
- 9.15.11 If at any time during his employment an employee makes or discovers or participates in the making or discovery of any Intellectual Property relating to or capable of being used by the CJC the employee shall forthwith give full details of the intellectual Property to the relevant Senior Manager.

9.16 TREASURY MANAGEMENT

Treasury Management and Banking

- 9.16.1 All arrangements concerning the CJC's banking accounts, and the issue of cheques and of bank transfer instructions, shall be made by or under arrangements approved by the Chief Finance Officer. Bank accounts shall stand in the name of North Wales



Corporate Joint Committee and not in the name of any officer either by name or designation. Bank transfers of any sort may be authorised only under arrangements made by the Chief Finance Officer.

- 9.16.2 The Chief Finance Officer and, subject to his supervision, every other person operating a bank account on behalf of the CJC, shall make safe and efficient arrangements on its behalf for the prompt examination of paid cheques and independent reconciliation of cash book with bank statements.

Investments and Borrowing

- 9.16.3 The Chief Finance Officer shall be responsible for borrowing, temporary investment, reborrowing and repayment of monies, subject to any constraint imposed by government legislation and CIPFA's Code of Practice for Treasury Management in Local Authorities, within limits set by the CJC in the Treasury Management Strategy Statement, the Minimum Revenue Provision Strategy and the Annual Investment Strategy, the CJC's Prudent Indicators and the Treasury Management Schedules. The Chief Finance Officer shall report on these activities to the Governance and Audit Committee.
- 9.16.4 Investments made in the name of nominees under arrangements made with fund managers shall be earmarked to designated accounts which uniquely identify the CJC's beneficial interest.
- 9.16.5 No officer shall enter into any leases or other arrangement to pay for goods or services over a period of time without the approval of the Chief Finance Officer.

9.17 STAFFING

- 9.17.1 The Chief Executive shall provide overall management to staff. The CJC shall agree an appropriate evaluation or other systems for determining the remuneration of a job.
- 9.17.2 The Chief Finance Officer shall ensure that budget provision exists for all existing and new employees and Senior Managers must consult with the Chief Finance Officer on any amendments to the staffing establishment through a structure amendment form.
- 9.17.3 Senior Managers shall ensure that appropriate arrangements operate within their services in order to notify the Chief Finance Officer as soon as possible and in the form prescribed by him, of all matters affecting the payment of such emoluments and in particular:



- (a) appointments, resignations, dismissals, suspensions, secondments, and transfers;
 - (b) absences from duty for sickness or other reason, apart from approved leave;
 - (c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
 - (d) information necessary to maintain records of service for pension, income tax, national insurance and the like.
- 9.17.4 The Chief Finance Officer shall act as an advisor to the Senior Managers on areas such as National Insurance and pension contributions, as appropriate.
- 9.17.5 The Chief Finance Officer shall ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).

9.18 FINANCIAL SYSTEMS AND PROCEDURES

General Purpose:

- 9.18.1 The Chief Finance Officer shall assume responsibility for the operation of the accounting systems which are in place to support the CJC, the form of accounts and the supporting financial records. Senior Managers are responsible for the proper operation of financial processes in their own services.
- 9.18.2 Any change to agreed procedures by Senior Managers to meet their own specific service needs should be agreed with the Chief Finance Officer.

Income And Expenditure

9.19 INCOME

- 9.19.1 Each officer who receives money on behalf of the CJC shall give such acknowledgement thereof and keep such records as may from time to time be approved by the Chief Finance Officer, including an accurate and chronological account of all receipts and deposits.
- 9.19.2 The collection of all amounts due to the CJC shall be under the control of the Chief Finance Officer and all accounts shall be rendered through him unless otherwise agreed by him.



- 9.19.3 In respect of grants due to the CJC, the appropriate Senior Manager shall ensure that grant claims are submitted promptly in accordance with the paying organisation's timetable so as to optimise cash flow. The Chief Finance Officer shall be responsible for certifying the financial accuracy of any claim and in this respect, Senior Managers must ensure that appropriate arrangements are in place to ensure that the CJC's Financial Ledger includes timely and accurate details of all relevant expenditure.
- 9.19.4 No debit in respect of an amount due to the CJC once established shall be discharged otherwise than by payment, by the issue of an official credit note or as provided for in financial regulation 9.19.6. Neither post-dated cheques or third party cheques shall be accepted in payment of debt. Any cash deposits of more than £10,000, or series of cash deposits from the same payer where the total amount exceeds £10,000 must be reported immediately to the Chief Finance Officer, who shall make such arrangements are required by the Money Laundering Regulations 2003.
- 9.19.5 The Chief Executive shall notify the Chief Finance Officer as early as possible of all monies due to the CJC under contracts, leases, tenancy agreements, agreements for sales of property and any other agreements involving the receipt of money by the CJC. Any sums due to be paid directly into the CJC's bank accounts by third parties should be notified to the Chief Finance Officer in advance of receipt.
- 9.19.6 Sums due to the CJC shall not be written off except:
- (a) with the authority of the Chief Finance Officer in the case of individual debts totalling up to £5,000, and in the case of debts where the debtor has been made bankrupt, or a limited company has been liquidated by a court judgement;
 - (b) with the authority of the Chief Finance Officer and the Chair in the case of debts except those referred to in (a).
- 9.19.7 The Chief Finance Officer may prescribe that, generally or particularly, specified goods or services shall not be supplied on credit terms or shall be supplied only on pre-payment or concurrent payment.

Ordering and Paying for Work, Goods and Services

Ordering

- 9.19.8 Orders in a form approved by the Chief Finance Officer shall be issued by all services for all works, goods and services required, except for professional services, supplies of public utility services, rent, rates and petty cash disbursements. Such orders shall



be authorised by the Senior Manager or other senior officer authorised by him who shall satisfy himself at the time of issuing the order that authority exists for the expenditure and that it can be met from the approved estimates.

- 9.19.9 Where alternative electronic ordering procedures are used, the relevant Senior Manager shall ensure that appropriate controls exist, and that the use of such procedures are approved by the Chief Finance Officer.
- 9.19.10 Where, as a matter of urgency, works, goods or services are ordered orally a written official confirmatory order shall be issued on the same day or the following working day. Officers authorised by the Chief Executive to sign orders on her behalf shall be agreed with the Senior Manager and the names sent to the Chief Finance Officer together with specimen signatures and initials and shall be amended on the occasion of any change in personnel.
- 9.19.11 Each order shall conform to the directions of the CJC with respect to central purchasing and standardisation of supplies and materials.
- 9.19.12 A copy of each order shall, if so required, be supplied to the Chief Finance Officer.
- 9.19.13 Where the estimated value of an order is between £5,000 and £50,000 (before VAT), and is not from central purchasing suppliers, three quotations should be obtained. Any relevant order, for whatever amount, shall be subject to the Contract Procedure Rules, which form part of the CJC's Constitution.
- 9.19.14 Each Senior Manager, in respect of those works, goods and services which are purchased on a regular basis, shall at regular intervals of not more than twelve months test prices by obtaining at least three written quotes in accordance with Contract Standing Orders, provided that this requirement shall not apply where the annual purchase value of any work, goods or service is less than £5,000.

Payments

- 9.19.15 All payments out of the accounts of the CJC shall be made by the Chief Finance Officer who shall issue such instructions in this respect as he deems necessary. Except as provided in 9.19.16 below all accounts for payment shall be certified for payment by the appropriate Senior Manager or other senior officer specifically authorised by him who shall certify that the account is properly payable by the CJC, such certification shall be in such form as may be approved by the Chief Finance Officer.



- 9.19.16 Where alternative electronic payment processes are used, the relevant Senior Manager shall ensure that appropriate controls exist, and that the use of such processes are approved by the Chief Finance Officer.
- 9.19.17 The names of officers authorised to certify such accounts shall be sent to the Chief Finance Officer by the Chief Executive, together with specimen manuscript signatures and initials and shall be amended on the occasion of any change.
- 9.19.18 The certification of an account shall mean:
- (a) that the goods have been duly received, examined and approved in accordance with the specification, and are satisfactory, and that the prices are in accordance with the contract or order; and that the corresponding copies of official orders have been marked to show that the goods have been passed for payment;
 - (b) that the work done or service rendered has been satisfactorily carried out and that where applicable, the materials used were of the requisite standard, and that the charges are correct;
 - (c) that the account is arithmetically accurate (unless by arrangement the Chief Finance Officer is responsible in any particular case);
 - (d) that the appropriate entries have been made in inventories, stock records, as required.
 - (e) that the account has not previously been passed for payment and is a proper liability of the CJC.
- 9.19.19 Such certification shall be deemed by the Chief Finance Officer to form a warranty by the certifier that the payment has met the above conditions and that he may therefore pay the amount in question.
- 9.19.20 Services shall indicate on each account by the use of codes prepared by the Chief Finance Officer or otherwise, the expenditure heading to which the account should be charged.
- 9.19.21 Where an invoice is a VAT invoice, no amendments shall be made to it. Incorrect VAT invoices must be returned to the supplier for amendment. For non VAT invoices, amendments shall be made in ink and initialled by the officer making it, stating reasons briefly where they are not self-evident.
- 9.19.22 Each Senior Manager shall as soon as possible and not later than a date in each year specified to him, notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year in such form as he may require.



- 9.19.23 The Chief Finance Officer shall be authorised to make all payments which are properly authenticated, are intra-vires and which comply with the Standing Orders and the Financial Procedure Rules of the CJC.
- 9.19.24 Each Senior Manager shall ensure compliance with such instructions as the Chief Finance Officer shall from time to time issue in respect of payments which fall within the terms of HM Revenues and Customs Construction Industry Tax Deduction Scheme.

Credit Cards and Payment Cards

- 9.19.25 No credit or charge cards of any description to be used for any Council purpose shall be held or used by any officer except by prior agreement of the Chief Finance Officer on application by the appropriate Senior Manager. Where purchase by credit card or charge card is permitted, the officer making use of the facility must provide adequate supporting documentation for each purchase, including a valid VAT invoice/receipt where VAT is chargeable. No private purchases using such a credit or charge card will be permitted.

Payments to Employees and Members

- 9.19.26 The payment of all salaries, wages, pensions compensation and other emoluments to all employees or pensioners of the CJC shall be made by the Chief Finance Officer or under arrangements approved and controlled by him. The Chief Finance Officer shall put into effect all nationally approved agreements on conditions of service as they are received.
- 9.19.27 Appointments of all employees shall be made in accordance with the regulations of the CJC and the approved establishments, grades and rates of pay.
- 9.19.28 All time records or other pay documents shall be in a form prescribed or approved by the Chief Finance Officer and shall be certified by or on behalf of the appropriate Senior Manager. The names of officers authorised to sign such records shall be sent to the Chief Finance Officer by each Senior Manager, together with specimen signatures, and shall be amended on the occasion of any change.
- 9.19.29 Payments of travelling allowances or other expenses to members, including co-opted members of the CJC or its committees who are entitled to claim and receive travelling or other allowances will be certified by the Chief Executive or other officer designated by him before being paid by the Chief Finance Officer.
- 9.19.30 All claims by officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be in a form and according to a timetable



approved by the Chief Finance Officer for various categories of officer, shall be reviewed by the relevant Senior Manager, his deputy or other officer specifically authorised by as required.

9.19.31 The Chief Finance Officer shall be authorised to make all payments which are properly authenticated are intra-vires and which comply with the Standing Orders and Financial Procedure Rules of the CJC.

9.20 TAXATION

9.20.1 The Chief Finance Officer shall advise Senior Managers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the CJC.

9.20.2 The Chief Finance Officer shall maintain the CJC's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

9.20.3 The Chief Finance Officer shall:

- (a) Account to HMRC for all tax deducted from employees' emoluments under the PAYE arrangements.
- (b) Complete a monthly return of VAT inputs and outputs to HMRC.
- (c) The Chief Finance Officer shall be responsible for accounting to the appropriate agency for all other forms of taxation payable to or by the CJC and for supplying to such agencies such other information as they may validly require.
- (d) Provide details to the HMRC regarding the construction industry tax deduction scheme.
- (e) Maintain up-to-date guidance for Senior Managers on their responsibilities with regard to any taxation matters, and to individual Council employees on taxation issues.

9.20.4 Senior Managers shall keep appropriate records and supply details as requested by the Chief Finance Officer in order to comply with taxation regulations.

9.20.5 Senior Managers shall:

- (a) Ensure that any purchase which is taxable under VAT legislation, whether or not the purchase price includes an element of VAT, shall be paid for only on receipt by the Chief Finance Officer of an invoice complying with VAT



regulations or a written guarantee that an authenticated VAT receipt will be issued on payment.

- (b) Ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases construction industry tax deduction requirements.
- (c) Ensure that where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- (d) Ensure that all persons employed by the CJC are added to the CJC's payroll and tax deducted from any payments, except where the individuals are bona-fide self-employed or are employed by a recognised staff agency.

9.21 EXTERNAL ARRANGEMENTS

Partnerships

- 9.21.1 The CJC shall approve delegations, including frameworks and agreements for partnerships and joint ventures. The CJC is the focus for forming partnerships and joint ventures with other local public private, voluntary and community sector organisations to address local needs.
- 9.21.2 The CJC can delegate functions - including those relating to partnerships - to officers. These are set out in the scheme of delegation that forms part of the CJC's Constitution.
- 9.21.3 The representative of the CJC on any partnership or joint venture shall promote and maintain the same high standards of conduct that apply throughout the CJC.
- 9.21.4 In entering a partnership agreement, the CJC must consider the overall corporate governance arrangements and legal issues.
- 9.21.5 The Chief Finance Officer is responsible for ensuring that the accounting arrangements that are to be adopted on behalf of partnership and joint ventures are acceptable.

9.22 GRANTS AND OTHER EXTERNAL FUNDING

- 9.22.1 The Chief Finance Officer shall ensure that all funding notified by external bodies is received and properly recorded in the CJC's accounts and that any audit requirements are met.



- 9.22.2 Senior Managers must ensure that no project that is to be financed by external funding commences until appropriate approval has been received and that the source of the external funding has been confirmed.
- 9.22.3 Senior Managers shall:
- (a) Ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body, whether North Wales Corporate Joint Committee or a third party, are clearly understood.
 - (b) Act in accordance with Rule 9.6.7 when addressing the budgetary and obligations of the possible fund.
 - (c) Ensure that any match-funding requirements are given due consideration and that future revenue budgets reflect these requirements, before entering into long-term agreements.
 - (d) Ensure that all claims for funds are made by the due date.
 - (e) Ensure that proposals are costed properly and that the approval of the CJC is obtained before any negotiations are concluded to work for third parties.
 - (f) Ensure that, as far as possible, the CJC is aware of any potential significant risk.
 - (g) Ensure that such contracts do not impact adversely upon the services provided for the CJC.
 - (h) Provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts as required.
- 9.22.4. There should be no presumption that the CJC will incur additional costs, such as severance costs, resulting from the grant or other external funding ends. Except in exceptional cases, it is expected that these costs will be borne of the external financing or the budget of the relevant department if that is not possible. Any request for the use of general reserves are subject to Rules 9.6.10 and 9.6.11.