

Summary of proposed key changes to Financial Regulations (other minor amendments are shown alongside these in Appendix 2)

Current Financial Regulations	Proposed revised Financial Regulations
	<p>A.1.2 Added to summarise the legislation that the Chief Finance Officer's statutory obligations arise from.</p> <p>The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council. The statutory duties arise from:</p> <ul style="list-style-type: none"> • Section 151 of the Local Government Act 1972; • The Local Government Finance Act 1988; • The Local Government and Housing Act 1989; • The Local Government Act 2003; • The Accounts and Audit Regulations 2015 • Local Government Pension Scheme Regulations 2013
<p>A.2.5 Each Chief Officer shall consult with the Chief Finance Officer in respect of any matter within his or her responsibilities which contains financial implications for either the revenue budget or capital programme or affects the finances of the Council before any provisional or other commitment is made and before reporting thereon to a Cabinet, Committee, Sub-Committee or Panel. Any report must include the Chief Finance Officer's views as well as those of the appropriate Chief Officer.</p>	<p>A.2.5 Updated to reflect financial input into reports</p> <p>Each Chief Officer shall consult with the Chief Finance Officer in respect of any matter within his or her responsibilities which contains financial implications for either the revenue budget or capital programme or affects the finances of the Council before any provisional or other commitment is made and before reporting thereon to a Cabinet, Lead Member, Scrutiny, Committee, Panel, Board or Forum.</p> <p>Any report must, where the Chief Finance Officer considers appropriate, include their views as well as those of the appropriate Chief Officer. The Chief Finance Officer will engage with Heads of Finance to ensure an appropriate financial view is reflected in relevant Cabinet reports.</p>

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<p>A.4</p> <p>A.4.1 In accordance with delegated powers and Accounts and Audit Regulations, the Chief Finance Officer shall maintain adequate and effective arrangements for the internal audit of the Council's accounting records and control systems, to operate in accordance with the Auditing Practices Board's Public Sector Internal Audit Standards (or other relevant) Auditing Guidelines.</p> <p>A.4.2 Internal auditors appointed by the Chief Finance Officer shall, in pursuance of their duties, have the authority under Accounts and Audit Regulations to:</p> <ul style="list-style-type: none"> (i) visit all County Council establishments and premises to carry out audits of their activities; (ii) access, at all times, all property documents and records considered necessary to the audit by the Chief Finance Officer; (iii) require any employee of the County Council to produce cash, stores or any other property of the Council, or to produce the property of persons for whom the Council is responsible which is under his/her control. <p>All officers are required to co-operate with audit enquiries and to provide any information and explanation considered necessary for the audit.</p> <p>A.4.3 Immediately when an officer suspects an irregularity affecting income, expenditure, cash, stores or any other resources of the Council, it is the officer's duty to report the matter to the senior finance manager in the department or if not appropriate, to the Chief Officer of the department who shall promptly inform the Chief Finance Officer. The Chief Finance Officer shall take such steps as are necessary by way of investigation and report.</p>	<p>A.4 updated wording</p> <p>A.4.1 In accordance with delegated powers and The Accounts and Audit Regulations the Chief Finance Officer shall ensure that the Council maintains adequate and effective arrangements for the internal audit of the Council's accounting records and system of internal control.</p> <p>A.4.2. Internal auditors appointed by the Chief Finance Officer shall, in pursuance of their duties, have the authority under Accounts and Audit Regulations to:</p> <ul style="list-style-type: none"> (a) enter any Council premises or land at any reasonable time, without prior notice; (b) have access at all times to all records and documents (including email and correspondence) relevant to the business of the council as maintained by the council or third parties on its behalf including (but not limited to) external contractors and consultants; (c) require and receive any information and explanations considered necessary to the audit; (d) require any employee or agent of the Council to account for assets under his / her control. <p>A.4.3 Should an officer suspect an irregularity affecting income, expenditure,</p>

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	<p>cash, stores or any other resources of the Council, it is the officer's duty to immediately report the matter to a Head of Finance, or if not appropriate, to the Chief Officer of the department who shall promptly inform the Chief Finance Officer. The Chief Finance Officer shall take such steps as are necessary by way of investigation and report, the findings to the relevant Chief Officer(s).</p>
<p>A.5.1.2</p> <p>Estimates presented to the Cabinet shall include a report by the Chief Finance Officer on the effects on the finances of the Council. The Cabinet shall consider the estimates presented and the report of the Chief Finance Officer, make such amendments as it deems necessary to the estimates, and recommend the level of the precept for the Council's approval.</p>	<p>A.5.1.2 Updated to reflect MTFP and updated reporting</p> <p>A Medium Term Financial Plan shall be produced setting out the Council's government and local funding, the service budgets and any other known funding, commitments or pressures for a three year rolling period.</p> <p>Estimates presented to the Cabinet shall include a report on the effects on the finances of the Council. The Cabinet shall consider the estimates presented and the report and make such amendments as it deems necessary to the estimates, and recommend the level of the precept for the Council's approval.</p>
	<p>A.5.1.3 Added to include process of dealing with additional income</p> <p>For additional income, e.g. one-off grants, the Chief Finance Officer, with reference to the relevant grant determination, and in consultation with the Corporate Management Team, will determine whether the grant should be held corporately or passed to the relevant department within the MTFP. Additional income received in year from grants and other sources will be stated in subsequent reports, and, following determination by the Chief Finance Officer, treated as an underspend.</p>
	<p>A.5.1.6 replaced by A.5.1.7 to reflect other forms of service delivery</p>

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<p>A.5.1.6 Where a Chief Officer is responsible for a direct service organisation, he/she shall prepare an annual report and accounts for the previous financial year for that organisation, in association with the Chief Finance Officer and in accordance with any legislative requirements. The annual report and accounts shall be completed as soon as practicable after the year end but not later than six months after the end of the financial year.</p>	<p>A.5.1.7 Where forms of service delivery other than those directly provided by the Council are to be used e.g. a trading organisation or a direct service organisation, these Financial Regulations would need to be reviewed and updated to ensure the adequacy and robustness of this service delivery.</p>
<p>A.5.2.3 Earmarked revenue budget income, received for a specific purpose, may be spent for the purpose it was received so long as the expenditure will not cause additional commitments for future years. Where commitments do arise, the approval of the Cabinet must be obtained.</p>	<p>A.5.2.3 expanded to add Chief Finance Officer responsibility</p> <p>A.5.2.3 Earmarked revenue budget income, received for a specific purpose, may be spent for the purpose it was received so long as the Chief Finance Officer confirms that the purpose for which it is proposed it will be spent is in accordance with the purpose for which it was earmarked, and expenditure will not cause additional commitments for future years. Where commitments do arise, the approval of the Cabinet must be obtained.</p>
<p>A.5.2.5 In accordance with the Code of Practice on Prudential Approach to Local Authority Commitments, each year the Chief Finance Officer shall prepare a report incorporating the assessment of commitments for the next three years or such other period as may be prescribed.</p>	<p>A.5.2.5 Removed as replaced by MTFP – see A.5.1.2</p>
<p>Capital Programme Management</p> <p>A.5.3.2 Capital projects shall be incorporated in a Capital Programme for consideration by the Council, in conjunction with the annual revenue budget process detailing the phasing of expenditure on such projects and the full year revenue cost associated with each project, and having regard to the level of available resources.</p>	<p>A5.3 updated to reflect proposed updates to practice and governance arrangements</p> <p>Capital Programme Management</p> <p>A.5.3.2 The Government places controls on the financing capacity of the Council. This means that capital expenditure should: form part of a programme; be carefully prioritised in order to comply with the Council Plan; maximise the benefit of scarce resources and comply with CIPFA's Prudential Code for Capital Finance in Local Authorities</p>

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<p>The first year of the plan will form the approved capital budget for the forthcoming financial year.</p> <p>A.5.3.3 Prior to the approval by the Council of a Capital Programme each year, Chief Officers, jointly with the Chief Finance Officer, shall prepare financial appraisals of all projects to be put forward for inclusion in the Capital Programme.</p> <p>A.5.3.4 Subject to paragraphs A.5.3.5 and A.5.3.6 below, no expenditure shall be incurred on capital projects which is not included in the approved Capital Programme and no contracts entered into or tender accepted unless any necessary government approvals and borrowing powers have been received, and resources approved in accordance with these Regulations.</p> <p>A.5.3.5 The Capital Programme may be varied with the agreement of the Chief Finance Officer, if no additional commitments for future years are incurred, in the following circumstances:</p> <p>(a) where budget provision is transferred to capital expenditure financed from revenue account (CERA) in accordance with Regulation A.13 (Financial Limits) below</p> <p>(b) where earmarked capital receipts are spent for the purpose they were received, provided that capital resources are enhanced by the amount received and that the capital receipts are received either before the payments are made, or within the same financial year.</p> <p>For all other proposals that vary the Capital Programme, the approval of the Cabinet must be obtained.</p> <p>A.5.3.6 Capital payments must be contained within the individual provisions in the approved Capital Programme. Where over</p>	<p>(2013).</p> <p>A.5.3.3 A Capital Strategic Asset Board (CSAB) is in place to review and scrutinise the Capital Programme and to recommend business cases for inclusion in the Capital Programme. The membership of the CSAB includes senior officers from each service department, as well as Property, Finance and Procurement. The Chair of the CSAB is the Chief Operating Officer.</p> <p>A.5.3.4 Capital projects shall be incorporated in a Capital Programme for consideration by Full Council, in conjunction with the annual revenue budget process detailing the phasing of expenditure on such projects and the full year revenue cost associated with each project, and having regard to the level of available resources.</p> <p>A.5.3.5 The programme will be managed through governance processes agreed annually, and the need to prioritise projects for inclusion in the Capital Programme, should resources allow. Prior to the approval by the Council of a Capital Programme each year, Chief Officers, jointly with the Chief Finance Officer, shall prepare financial appraisals of all projects to be put forward for inclusion in the Capital Programme, supported by justification and including appropriate documents. This will be based on recommendations from the CSAB.</p> <p>A.5.3.6 The Chief Finance Officer, will determine the resources available for the Capital Programme, taking into</p>

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<p>and underspendings arise because of slippage and there is no effect on the availability of capital resources, equivalent adjustments will be made to the following year's programme. Where overspendings compared to the annual provisions in the capital programme arise, which are not the result of slippage, departments must report the figures to the Chief Finance Officer, together with proposals for equivalent savings from other approved projects.</p> <p>A.5.3.7 Capital schemes shall not be changed without the approval of the and any consequent increase in the cost of the scheme shall be contained within the relevant Department's approved Capital Programme. Any significant alteration to the size, content or specification of a scheme which increases the cost by 10% or more, must be reported in a timely manner to the Cabinet.</p> <p>A.5.3.8 If a tender price exceeds the Capital Programme provision, then provision may be transferred from one approved project to another. (b) If such a transfer is not possible then the approval of the Cabinet must be obtained before the tender is accepted.</p> <p>A.5.3.9 The final cost of each capital scheme chargeable against the Capital Programme shall be reported by the</p>	<p>consideration the availability of reserves and balances, funding from other bodies and the affordability of borrowing.</p> <p>A.5.3.7 Subject to paragraphs A.5.3.8, A.5.3.10 and A.5.3.11 below, no expenditure shall be incurred on capital projects which is not included in the approved Capital Programme and no contracts entered into or tender accepted unless any necessary government approvals and borrowing powers have been received, and resources approved in accordance with these Regulations.</p> <p>A.5.3.8 The Capital Programme may be varied with the agreement of the Chief Finance Officer, if no additional commitments for future years are incurred, in the following circumstances:</p> <p>(a) where budget provision is transferred to capital expenditure financed from revenue account (CERA) in accordance with Regulation A.13 (Financial Limits) below or the recommended use of the capital risk provision by CSAB.</p> <p>(b) where earmarked capital receipts and grants or other specific funding are spent for the purpose they were received, provided that capital resources are enhanced by the amount received and that the capital receipts are received either before the payments are made, or within the same financial year.</p> <p>For all other proposals that vary the Capital Programme, the approval of the Cabinet must be obtained subject to A.5.3.11 below.</p> <p>A.5.3.9 The scope of capital schemes shall not be changed without the approval of the Cabinet unless under 10% variation to cost.</p>

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<p>appropriate Chief Officer to the Cabinet if the cost exceeds the provision in the Capital Programme by 10% or more, as soon as possible after completion together with explanations for variances from the estimated cost.</p> <p>A.5.3.10 The Chief Finance Officer will report on the outturn of capital expenditure to the Cabinet as soon as practicable after the end of the financial year.</p>	<p>Any significant alteration to the size, content or specification of a scheme which increases the cost by 10% or more, must be reported in a timely manner to the Cabinet. Variations within 10% of a project's total current budget can be agreed by the Chief Finance Officer, where funding has been identified (as outlined in A.5.3.8 above). This should be done in line with CSAB working processes and with current variation policy and guidance.</p> <p>A.5.3.10 A capital risk provision is held to mitigate the risks associated with having a Capital Programme. These include inflationary pressures on construction costs, uncertainty regarding delivery of projects, still unknown requirements, the uncertainty regarding the level of Government grants and risks associated with Brexit. The level of the capital risk provision is to be determined annually by the Chief Finance Officer after considering financial risk. The Chief Finance Officer, in consultation with the CSAB, can approve use of this provision on individual projects, the use of which will be reported to Cabinet as part of the RPPR process.</p> <p>A.5.3.11 Capital payments must be contained within the individual provisions in the approved Capital Programme. Where there is a variation prior to CSAB, the Chief Finance Officer should review and agree the proposal for dealing with the variation in consultation with the appropriate CSAB representative.</p> <p>A.5.3.12 Where slippage into future years occurs on a project and there is no effect on the availability of capital resources, these should be reported to CSAB at the earliest available opportunity as part of quarterly monitoring and equivalent adjustments will be made to the following year's programme as part of the wider RPPR process.</p> <p>A.5.3.13 Where overspends compared to the annual provisions in the Capital Programme arise, departments must report the figures to the CSAB, together with proposals for funding the overspend in line with A.5.3.11.</p> <p>A.5.3.14 Where underspends occur these</p>

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	<p>must be reported to the CSAB who again will make recommendations on the use of the underspend to the Chief Finance Officer for approval.</p> <p>A.5.3.15 If a tender price exceeds the Capital Programme provision, then this should be raised at CSAB in line with A.5.3.11.</p> <p>A.5.3.16 The final cost of each capital scheme chargeable against the Capital Programme shall be reported by the appropriate Chief Officer to the Cabinet if the cost exceeds the provision in the Capital Programme by 10% or more, as soon as possible after completion together with explanations for variances from the estimated cost.</p> <p>A.5.3.17 The Chief Finance Officer will report on the outturn of capital expenditure to the Cabinet as soon as practicable after the end of the financial year.</p>				
<p>A.6.2 Each year, Chief Officers in association with the Chief Executive shall prepare a staffing report containing information on the number and composition of the County's workforce, changes during the previous twelve months and a forecast of the staffing budget for the year ahead.</p>	<p>A.6.2 Removed as no longer required</p>				
<p>A.13.1 <u>Budget Limits</u></p> <p>- Revenue Budget Transfers and Supplementary Estimates</p> <p>A.13.1.1 For each vote number within the approved revenue budget, the following sums (subject to Financial Regulation A.13.1.2 below) may be transferred in each financial year from one heading to another by the Chief Officer concerned:</p> <p>- <u>If the budget is £1m or less</u>: 20% of the budget or £50,000 (whichever is the lower), NB. Where this transfer is to Capital Expenditure financed from Revenue Account (CERA), the capital programme can be varied with the approval of the Chief Finance Officer (refer to financial Regulation A5.3.5</p>	<p>A.13.1 Table added to include limits, Budget transfer limits updated.</p> <p>A.13.1 <u>Budget Limits</u></p> <p>- Revenue Budget Transfers</p> <p>A.13.1.1 The following levels of approval apply to budget transfers and journals:</p> <table border="1" data-bbox="858 1608 1412 2029"> <thead> <tr> <th>Action</th><th>Approval required</th></tr> </thead> <tbody> <tr> <td>General Budget Transfers (across Departmental budgets)</td><td>Up to £1m between service area should be authorised by a Head of Finance or above. Between £1 and £5m between service areas should be authorised by the Chief Finance</td></tr> </tbody> </table>	Action	Approval required	General Budget Transfers (across Departmental budgets)	Up to £1m between service area should be authorised by a Head of Finance or above. Between £1 and £5m between service areas should be authorised by the Chief Finance
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<p>above). In respect of LMS school budgets, so long as an overspending is not caused, the Chief Finance Officer may approve expenditures over £50,000 to be included in the capital programme.</p> <p>- If the budget is greater than £1m: 5% of the budget or £100,000 (whichever is the lower)</p>		Officer and relevant Chief Officer(s). Over £5m should be authorised by Cabinet.
	General Budget Transfers (within departmental budgets)	With agreement of budget manager(s)
	Technical Budget Transfers (e.g. budget transfers to comply with proper accounting practices)	Chief Finance Officer
	Administrative budget transfers (e.g. already approved by Full Council or Schools Forum)	Chief Finance Officer
	Journals	<p>Journals over £1m must be authorised by a Finance Manager or above.</p> <p>Exceptions: Pension Management, Capital Finance and Treasury Management where the regular reconciliation of borrowing and investment codes indicate that there is adequate control over the detailed transactions.</p>
	Capital Expenditure financed from Revenue Account	In line with the capital variation process (see A.5.3.8 and A.5.3.9 above).

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<p>A.13.1.2 If the Council is committed to additional expenditure in future years, no transfer will be permitted unless approved by the Cabinet.</p> <p>A.13.1.3 All other proposals for transfer and supplementary estimates will require the approval of the, unless a significant change to an existing policy, or the development of a new policy is involved, when the approval of County Council will be required.</p>	<table border="1" data-bbox="858 203 1412 241"> <tr> <td data-bbox="858 203 1106 241">(CERA)</td><td data-bbox="1106 203 1412 241"></td></tr> </table> <p>A.13.1.2 If the Council is committed to additional expenditure in future years, no budget transfer over £5m will be permitted unless approved by the Cabinet. All other transfers should be in line with the table above.</p> <p>A.13.1.3 If there is a significant change to an existing policy, or the development of a new policy the approval of Cabinet/ County Council will be required.</p>	(CERA)	
(CERA)			
<p>Revenue Budget Under/ Overspendings</p> <p>A.13.1.5 Unless subject to local financial management or delegated budget schemes, underspendings may be carried forward to the following financial year:</p> <ul style="list-style-type: none"> - <u>If the budget is £1m or less</u>: 20% of the budget or £50,000 (whichever is the lower). - <u>If the budget is greater than £1m</u>: 5% of the budget or £100,000 (whichever is the lower). <p>A.13.1.6 Local management schemes and schemes of delegation shall be permitted to carry forward underspendings in accordance with their approved schemes.</p> <p>A.13.1.7 Where overspendings occur, these must first be offset against underspendings or deducted from the following year's budget unless the approval of the Cabinet to other action has been obtained.</p> <p><i>(Note - supplementary estimates should be taken into account when determining overspendings at the year end, but not for determining underspendings. Therefore supplementary estimates and their related expenditure will be deducted before carry forwards of underspendings are determined.)</i></p>	<p>- Revenue Budget Under/ Overspendings</p> <p>A.13.1.5 Unless ring-fenced for a specific purpose, requests for underspendings to be used for a particular purpose will be considered by the Chief Executive in consultation with the Chief Finance Officer and Chief Officers as part of the Pressures Protocol during the RPPR process.</p> <p>A.13.1.6 Where overspendings occur, these must first be offset against underspendings unless another course of action has been approved by the Cabinet</p>		

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<p>A.13.2 Control of Contracts</p> <p>A.13.2.1 Where during the currency of a contract valued at £50,000 or more, it becomes apparent that expenditure against the contract will exceed the contract value by 10% or more, other than as a result of a price fluctuation clause, the Chief Officer, in consultation with the Chief Finance Officer, shall present a full report to the next practicable meeting of Cabinet.</p>	<p>A.13.2 Control of Contrats – update value</p> <p>A.13.2.1 Where during the currency of a contract valued at £500,000 or more, it becomes apparent that expenditure against the contract will exceed the contract value by 10% or more, other than as a result of a price fluctuation clause, the Chief Officer, in consultation with the Chief Finance Officer, shall present a full report to the next practicable meeting of Cabinet.</p>

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<p>A.13.3 Ex-Gratia Payments</p> <p>A.13.3.1 Chief Officers may authorise ex-gratia payments up to £500. Ex-gratia payments in excess of £2,500 shall only be authorised by the Cabinet.</p> <p>A.13.3.3 The Director of Adult Social Care may authorise ex-gratia payments of up to £1,000 where justified under the Adult Social Care Department's complaints procedure.</p>	<p>A.13.3 Ex-Gratia Payments – updated values and approval levels</p> <p>A.13.3.1 Chief Officers may authorise ex-gratia payments up to £1,000. Ex-gratia payments in excess of £10,000 shall only be authorised by Lead Member Resources.</p>
<p>A.13.4.1 The write-off of debts below £1,000 may be authorised by the Chief Officer. The write-off of debts in excess of £2,500 shall only be authorised by the Cabinet</p>	<p>A.13.4 Write Off of Debts – updated values and approval levels</p> <p>A.13.4.1 The write-off of debts below £5,000 may be authorised by a Chief Officer. The write-off of debts in excess of £10,000 shall only be authorised by Lead Member for Resources.</p>
<p>A.13.5.1 No deficiency which occurs in excess of £2,500 shall be written off by a Chief Officer without the prior approval of the Cabinet.</p>	<p>A.13.5 Write Off of Stocks and Stores - update values</p> <p>A.13.5.1 No deficiency which occurs in excess of £10,000 shall be written off by a Chief Officer without the prior approval of Lead Member Resources.</p>
<p>A.13.6.1 No payment in advance of £500 or more shall be made without the prior approval of the Chief Finance Officer. Payments in advance of less than £500 can only be made in circumstances prescribed by Standard Financial Procedures.</p>	<p>A.13.6 Payment of Accounts – updated values and approval levels</p> <p>A.13.6.1 For non-Schools: All payments in advance over £25,000 can only be made with prior approval of the Chief Finance Officer.</p> <p>Payments in advance between £15,000 and £25,000 shall be authorised by a Head of Finance or above.</p> <p>Payments in advance of less than £15,000 shall be authorised by a Finance Manager or above.</p> <p>A.13.6.2 For Schools:</p> <p>Payments under £500 shall be authorised by the Chair of Governors and a record kept</p>

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	<p>at the school.</p> <p>Payments in advance between £500 and £4,999 shall be authorised by a Schools Finance Principal Finance Officer.</p> <p>Payments in advance between £5,000 and £14,999 shall be authorised by the Schools Accountant.</p> <p>Payments in advance greater than £15,000 shall be authorised by the Head of Finance for Children's Services and Schools Finance or above.</p>
	<p>A.14 – Added to include Fees and charges in Financial Regulations</p> <p>A.14 Fees and Charges</p> <p>A.14.1 The Chief Finance Officer has delegated authority to set all fees and charges and to report to report on those set at a level above inflation as part of quarterly monitoring to Cabinet and through Reconciling Policy, Performance and Resources.</p>
	<p>A.15 Added to include Reserves in Financial Regulations</p> <p>A.15 Reserves</p> <p>A.15.1 It is the responsibility of the Chief Finance Officer to advise the Cabinet and/or the Council on prudent levels of reserves for the Authority, having regard to assessment of the financial risks facing the Authority. This duty is set out in Section 25 of the Local Government Act 2003.</p> <p>A.15.2 As stated in the Council's Reserves Policy, in reviewing medium-term financial plans and preparing annual budgets, the Council will consider the establishment and maintenance of reserves for the general fund. The nature and level of reserves will be determined formally by the Council, informed by the judgement and advice of the Chief Finance Officer (CFO).</p> <p>A.15.3 The Council's Reserves Policy will be reviewed annually and reported and</p>

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	approved.
	<p>A.16 Added to include Value Added Tax and Income Tax to Financial Regulations (taken from Standard financial Procedures).</p> <p>A.16 VALUE ADDED TAX (VAT) AND INCOME TAX</p> <p>A.16.1 Chief Officers are responsible for ensuring the correct financial management of VAT and Income Tax, in respect of both income and expenditure, following the guidance issued by the Chief Finance Officer. The Chief Finance Officer is responsible for providing advice to Chief Officers on the potential tax implications of any new initiatives for the delivery of Council activity and Services, including those that could impact on the partial exemption position.</p> <p>A.16.2 The Chief Finance Officer is responsible for the Council's VAT returns and Income Tax to HM Revenue and Customs. All communication with HM Revenue and Customs for the Council shall be co-ordinated through the Chief Finance Officer or delegated officer.</p> <p>A.16.3 Chief Officers should seek financial advice from the Chief Finance Officer on any VAT or Income Tax issues. If, following this advice, there is misdirection, or other penalty, this will be the responsibility of the relevant Chief Officer and it will be charged to the relevant budget, unless it results from incorrect guidance from the Chief Finance Officer. Chief Officers are responsible for obtaining necessary VAT receipts.</p>