

# City of London Corporation

## FINANCIAL REGULATIONS

Approved by the  
Finance Committee  
April 2021



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## SECTION I. INTRODUCTION

Standing Order 49 of Court of Common Council of the City of London Corporation (the City) states that:

1. The Financial Regulations form part of the City's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
2. The Financial Regulations are maintained by the Finance Committee.

This version of the Financial Regulations was approved by the Finance Committee on XX April 2021.

All staff have a general 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, is properly authorised, provides value for money and achieves best value.

Failure to follow Financial Regulations may result in action under disciplinary procedures.

## SECTION II. RECENT VERSION HISTORY

These Regulations builds on and replaces the January 2018 version of the Financial Regulations Part 1 & Part 2 and is intended to be a high-level document that provides a framework to support the City's statutory responsibility for managing its finances.

It also allows the City to further strengthen and improve its approach to finance management enhancing its ability to deliver its corporate aims and objectives successfully.

These regulations should be regularly updated to reflect changes within other policy areas and reference to these Financial Regulations should be made when replacing or updating other policy covered by these regulations.

Date	Comments
<b>October 2005</b>	Updated Financial Regulations
<b>September 2009</b>	Updated Financial Regulations and split Regulations into Part 1 & Part 2
<b>January 2018</b>	Updated Financial Regulations and Financial Regulations Part 2 developed into the Finance Manual.
<b>April 2021</b>	Updated Financial Regulations with Part 1 and part 2 Regulations consolidated into one document.

## SECTION 1. GENERAL

- 1.1 Any report to the Court of Common Council, its committees or its partners which has financial implications should be prepared in consultation with the Chamberlain who shall incorporate in the report such comments as considered necessary. Reports relating to financial matters shall be provided to the Chamberlain in sufficient time for consultation no less than 28 days before the date of the first meeting due to consider the report. The Chamberlain reserves the right to delay the submission of any report with Financial Implications which has not been submitted in time for adequate consideration.
- 1.2 These Financial Regulations use Local Authority compliance as the benchmark for all funds under the City's control, except where otherwise expressly provided for.
- 1.3 For all charities for which the City is Trustee, regard must be had to guidance issued by the Charity Commission in complying with reporting and regulatory requirements.
- 1.4 These Financial Regulations should be read in conjunction with any other instructions relating to financial management, accountability and control, particularly:
  - Standing Orders of the Court of Common Council
  - The Scheme of Delegation
  - Corporate Project Procedures
  - Procurement Code and Rules
  - Employee Handbook
  - Data Protection Policies and Procedures
- 1.5 The Deputy Chamberlain as Head of Profession for Finance in the City shall ensure these Regulations are kept up to date, and report to the Finance Committee recommending any changes considered necessary.
- 1.6 The Deputy Chamberlain shall be consulted in any cases involving the interpretation of the Financial Regulations and their decision, as to their meaning and application shall be final, providing such decision does not have the effect of altering the meaning of a Standing Order or other regulation or contract approved by a Committee or the Court of Common Council.
- 1.7 Notwithstanding the relaxation of certain Financial Regulations relating to the Barbican Centre Managing Director's local risk budget and the execution of the Police Authority's Policing Plan, the Chamberlain reserves the right to demand from the Managing Director and the Commissioner of Police such additional information as is required to fulfil their statutory obligations and their overall financial monitoring responsibilities.
- 1.8 All sums referred to in these Regulations are exclusive of Value Added Tax (VAT) unless specifically stated
- 1.9 All Information Technology (IT) expenditure and development work must conform to the IT Strategy and to standards and other guidance issued by the City's IT Director as Head of

## Profession for IT in the Corporation.

- 1.10 The City's IT Director as Head of Profession for IT shall define the corporate IT standards to be followed by Chief Officers and is to be consulted on related matters such as IT staffing and their remuneration. The corporate IT strategy is to encompass these standards and any other E-business or E-government strategy agreed by the City's IT Director. Each Chief Officer shall ensure that a written departmental IT strategy is produced which conforms to the corporate IT strategy, (and to the corporate E-business and E-government strategies) and that this is submitted annually for the approval of the City's IT Director in the form requested. Expenditure on IT equipment, software and services which does not conform to the approved departmental strategy shall be the subject of a prior written proposal for the approval of the City's IT Director.
- 1.11 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and that they comply with them.
- 1.12 All City staff have a responsibility to maintain the integrity and security of information which is under their control by virtue of their employment (including confidential and personal information, held in any format). All staff shall comply with the requirements of the Data Protection Act, UK GDPR and the City's policies and procedures in relation to data protection which can be found on the Information Management Strategy.

## **SECTION 2. RESOURCE ALLOCATION, REVENUE ESTIMATES AND CAPITAL BUDGETS**

- 2.1 Standing Order 48 sets out the governance arrangements for resource allocation, revenue estimates and capital budgets. The Chamberlain is responsible for notifying Chief Officers on the timetable and processes for the preparation of the forthcoming year's resource allocation, revenue estimates, and capital budgets. Chief Officers shall supply such information to the Chamberlain as may be required so as to comply with the timetable and processes stipulated and prepare revenue estimates of income and expenditure in accordance with the budget policy determined by the Policy and Resources Committee and in consultation with the Chamberlain who shall critically scrutinise the estimates before submission to Service Committees.
- 2.2 Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources Committee, such budgets do not include any contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.

### Revenue Budget Management – Objectives

- 2.3 Budget management ensures that resources allocated by members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continuous process enabling the City Corporation to review and adjust its budget targets throughout the financial year.
- 2.4 Committee budgets are set for both local and central risk within the City Corporations overall budget. Local risk expenditure and income is deemed to be directly controllable by Chief Officers. Examples of local risk items includes most employee costs, regularly scheduled maintenance checks, utility costs, cleaning and stationery. Central risk are items of spend or income that can be affected by external factors such that Chief Officers are not held directly accountable for budgetary performance. Recharge risk budgets relate in the main to support services and functions that are recharged on an appropriate apportionment basis to front line services to enable the total cost of service to be calculated. Central and recharge risk items include levies and precepts, investment income (including property), capital charges, central support costs, insurance, rating revaluation changes, grants/support earmarked for specific organisations/themes and centrally controlled and recharged IT expenditure.
- 2.5 By identifying and explaining variances against budgetary targets, the City Corporation can identify changes in trends and resource requirements at the earliest opportunity. To ensure that the City Corporation does not overspend, each Committee is required to manage its own local risk income and expenditure within its resource envelope.

## Revenue Budget Management – Key Controls

- 2.6 Budget holders will be responsible for income and expenditure on cost centre budgets for which they have been assigned responsibility on Oracle and that this responsibility should be aligned as closely as possible to the decision making that commits the expenditure.
- 2.7 Budget holders follow the approved commitment accounting workflow for all expenditure.
- 2.8 Income and expenditure are properly recorded and accounted for.
- 2.9 Business Plan key performance indicators are monitored in conjunction with the budget and necessary action taken to align service outputs with the budget.

## Revenue Budget Management

- 2.10 The Chamberlain is responsible for establishing an appropriate framework of budgetary management and control through business partnering that enables the following:
  - a. Budget management by Committee being exercised within the annual resource envelopes allocated to it unless the Court determines otherwise.
  - b. Each Chief Officer having available timely and accurate information on income and expenditure for each cost centre to enable managers to fulfil their responsibilities.
  - c. All officers responsible for committing expenditure and generating income complying with corporate financial guidance.
  - d. Significant variances from approved budgets being reviewed promptly by Chief Officers.
  - e. Regular forecasts on income and expenditure compared to the approved budget being prepared and reported to Finance Committee.
- 2.11 The Chief Officers for services are responsible for:
  - a. Ensuring spending remains within agreed resource envelopes by regular monitoring of the budget.
  - b. To ensure that the business plan is regularly monitored in conjunction with the budget to ensure the delivery of service objectives and any corrective action taken.
  - c. To work alongside the Chamberlains business partners to provide regular monitoring information to committee with appropriate explanations and corrective actions required as necessary.
  - d. To ensure prior approval of any new initiative not included in the business plan or budget that could have one off or ongoing financial consequences.
  - e. To ensure compliance with the scheme of virement (see Paragraph 2.17).

- f. To consult with relevant Director or Chief Officer where it appears a budget proposal will impact on another Directors / Chief Officers service or level of activity.
- 2.12 Where a Chief Officer is unable to contain expenditure within their existing local risk resources due to essential growth (for example to meet a new legislative requirement) or a one off additional cost, a business case for a budget increase should initially be discussed with the Chamberlain to agree the potential funding strategy. A report will then be submitted to the relevant spending committee and Resource Allocation Sub Committee for approval.
- 2.13 No officer should commit the Corporation to expenditure more than any approved estimate without either first seeking the appropriate approval or making an appropriate virement as described in paragraph 2.17 below, in accordance with SO 48(9).

### Treatment of Year End Balances

- 2.14 Any deficit on the total of a Chief Officers local risk budgets is required to be carried forward and recovered from within the department's budget allocation for the following year unless specifically waived by the Finance Committee. Subject to the prior approval of the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) surpluses on a department's local risk budgets may also be carried forward provided that these do not include any fortuitous savings outside the control of the Chief Officer, and, any cumulative underspending which is to be carried forward is limited to 10% of the Chief Officer's local risk budget, up to a general maximum of £500,000 or £1,000,000 in the case of the City Surveyor. Applications for carry- forwards will be assessed by the following criteria:
- i. Carry forward requests can be up to 10% or £500k (whichever is the lesser) of the final agreed local risk budget excluding budgets brought forward from the previous year. However, the City Surveyor may carry forward up to £1m and the Chamberlain and Director of IT may each carry forward a maximum of £500k.
  - ii. In respect of the above the City Schools, Police, the Barbican Centre (local risk budget), Open Spaces Charities (fundraising budgets), Bridge House Estates (charitable funding commitments), the Cemetery, and the Housing Revenue Account, are excluded as separate carry forward arrangements apply. In the case of the Barbican Centre Managing Director's financial target, surpluses of up to 15% of the local risk budget may be carried forward and the Managing Director of the Barbican Centre may incur a deficit of up to £500,000 at any one time, to be repayable in the following financial year. This deficit should be by exception and should not be on a continual basis from one financial year to the next. The reasonableness of this arrangement will be reviewed annually.
  - iii. In respect of the Police Authority's Policing Plan budget, unspent balances, excluding variations in capital financing costs, shall be carried forward, subject to periodic review as to the level of balances.
  - iv. In respect of Open Spaces, fundraising income relating to donations and legacies to the Charities shall be ring-fenced and where necessary, carried forward in the relevant ring-fenced Charitable reserve for each Charity.



- v. Fortuitous savings clearly outside the control of Chief Officers should not be eligible for carry forward; instead it should be demonstrated that underspends are the result of planned/managed strategies.
- vi. Carry forward requests should be approved to fund a specific purpose.
- vii. Each individual agreed carry forward is ring-fenced to the purpose specified.
- viii. Unspent balances should generally only be carried forward and applied in the Fund in which they were generated.

2.15 Any requests for carry-forward from Central Risk budgets are required to be requested at first point from the Chamberlain. If approved, all such requests would then be provided to the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) for their consideration and potential approval.

### Reserves

2.16 No earmarked reserve, designated fund or other balance sheet provision shall be created without first consulting with the Assistant Director, Strategic Finance who will advise on whether the proposal can be supported and the further approvals that are required.

### Scheme of Virement

2.17 The scheme of virement is as follows:

- a) Virement is the transfer of budget from one budget line, as a result of savings or additional income, to another budget line to facilitate spending on that budget line. No Virement will be permitted between funds in the year, nor is virement normally allowed in respect of Central Risk budget lines.
- b) Chief Officers, or nominated Officers previously notified to the Chamberlain, are authorised to approve virements within funds for Local Risk budget estimates. These virements are generally only allowed up to a total of £500,000 in one financial year, but in the case of the City Surveyor this financial limit is £1,000,000 in one financial year. This being subject to the savings utilised not arising from any specific amount approved from the Finance Committee contingencies, or any sums specifically approved by the Policy and Resources Committee for Policy Initiatives. Chief Officers shall advise the appropriate Committee and Finance Committee of any significant virements and gain prior approval if they raise significant policy issues or will result in total virements of any Chief Officer exceeding £500,000 (or £1,000,000 in the case of the City Surveyor).
- c) The Barbican Centre Managing Director may authorise all virements between those costs and incomes which comprise the annual local risk budget, and the Commissioner of Police may authorise virements between all heads within the Policing Plan Budget, with the exception of financing and support costs, and subject to prior consultation with the Deputy Chamberlain where virement is proposed from a non-staffing to a staffing budget.

## Managing Capital and Supplementary Revenue Project Budgets

- 2.18 Capital and Supplementary Revenue Project budgets (“project budgets”) are generally approved and managed in accordance with the Corporate Project Procedure via the gateway process and associated guidance. However, the City’s Major Projects are not required to follow the gateways and are under the direct control and management of the Capital Buildings or Policy and Resources Committees.
- 2.19 Capital projects are major one – off expenditures (>£50k) relating to the acquisition, creation or enhancement of an asset that yields benefits to the authority and the service it provides for a period of more than one year. For example, cyclical replacements of major components (e.g. windows, roofs, M&E infrastructure) are capital but cyclical repairs are not. The “Supplementary Revenue Project” (SRP) classification was created to cover project expenditure controlled in the same way as capital projects that does not meet the accounting definition of capital expenditure, e.g. preliminary project costs at feasibility and option appraisal stages and one-off major repairs (>£50k). Classification of expenditures between capital and SRP is an accounting decision which lies with the Chamberlain.
- 2.20 Project budgets approved via the gateways must be supported by a confirmed source of funding before they can progress. Central funding of projects is allocated via the annual capital bid process, requiring the approval of the Resource Allocation Sub and Policy and Resources Committees.
- 2.21 Project budgets are not generally specific to a financial year unless the source of funding is restricted by time (e.g. external grant funding).
- 2.22 Project expenditure is recorded within the City’s Project Accounting module and must not be charged to local or central risk codes, with the exception of staff time which is recharged from revenue to project budgets on a regular basis.
- 2.23 Capital expenditure and capital income is subject to approval in accordance with the Corporate Project Procedure and must be accounted separately. Expenditure in excess of £50k which meets the definition of Capital/ Supplementary Revenue projects as set out in the Corporate Project Procedure must be accounted separately from local or central risk revenue expenditure.

## Virement of Capital and Supplementary Revenue Project Budgets

- 2.24 Virements within approved project budgets are permitted, provided the overall approved project sum is not exceeded and the scope remains unaffected. Movement between budget heads (e.g. from fees to works) requires approval of Chief Officer and Head of Finance.
- 2.25 Increases to an approved project sum must be agreed in accordance with the Project Procedure. Project Budgets cannot be vired between projects.

## SECTION 3. ACCOUNTING

- 3.1 All accounting procedures and financial records shall be determined by the Chamberlain, and any changes require the prior approval of the Chamberlain.

### Separation of Duties

- 3.2 So far as possible, in the allocation of accounting duties, the following principles shall be observed: -

- (a) The duties of providing information regarding sums due to or from the City 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.

### Assets:

- 3.3 The City owns and is otherwise responsible (whether or not as charity trustee) for a wide range of assets. For assets to appear on the balance sheet as qualifying items (or groups of items such as Cars) must be valued at £50,000 or more. Low monetary value assets may hold other important value and security must also be ensured on these items such as laptops and mobile phones.

### Financial Statements:

- 3.4 Each Chief Officer shall make returns of outstanding expenditure and income in the form and by the date specified by the Chamberlain in the programme for the closure of the annual accounts as are referred to in 3.5.
- 3.5 Procedures for the audit and publication of Financial Statements to the Court shall be as follows:
- (a) The financial year shall run from 1<sup>st</sup> April to 31<sup>st</sup> March.
  - (b) (i) The Auditors of the City's Cash, Bridge House Estates and Sundry Trust Funds Financial Statements are elected by Common Hall on Midsummer Day.  
(ii) The Auditors of City Fund and Pension Fund Financial Statements shall be appointed by the Court of Common Council.
  - (c) The Auditors shall report to the Court of Common Council or Common Hall as appropriate, in writing upon completion of their audits.
  - (d) The Chamberlain shall submit the Financial Statements, duly certified, to the Finance Committee in accordance with statutory requirements, but within reasonable timescales as soon as business permits.
  - (e) The audited and published City Fund and Pension Fund Financial Statements should be presented to the Court of Common Council in accordance with the statutory deadline.

All other Charitable Trusts of which the City is Trustee should present their Financial Statements to the Court of Common Council when available, where the Charity Commission requires these to be produced. Bridge House Estates and City's Cash present their Financial Statements to the Court of Common Council in accordance with the deadlines set by either Audit and Risk Management Committee or with statutory and other requirements. All three Financial Statements are published on the website as well as the Sundry Trusts.

### I.T. Systems

- 3.6 The Chief Officer concerned shall ensure that all financial information held on IT systems is properly maintained and capable of easy reconciliation to the central financial accounting system. IT systems should be brought together into combined systems where possible in accordance with the common systems principles outlined in the Information Management Strategy.
- 3.7 Any IT system that is used to hold and/or organise personal data must be notified to the City's IT Information Officer and the Information Compliance Team.
- 3.8 Details of the City Corporation Finance Information System can be found on the Oracle pages of the intranet.

## SECTION 4. INTERNAL AUDIT

- 4.1 In accordance with The Accounts and Audit Regulations 2015, the City Corporation must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, in accordance with the Public Sector Internal Audit Standards (PSIAS). Responsibility for ensuring this is delegated by the Court of Common Council to the Audit and Risk Management Committee. The Chamberlain as Section 151 Officer is responsible under statute for the proper administration of the financial affairs of the City Corporation including compliance with the statutory requirements for Internal Audit.
- 4.2 The Audit and Risk Management Committee shall approve the annual audit plans and receive regular reports on assurances provided and progress on the implementation of recommendations. The Audit and Risk Management Committee will also review the effectiveness of the Internal Audit service and the Head of Audit and Risk Management will ensure that a good working relationship with Members is established and maintained.
- 4.3 While the Head of Audit and Risk Management reports operationally to the Chamberlain, to maintain organisational independence, an unrestricted reporting line exists to the Town Clerk and Chief Executive and the Chairman of the Audit and Risk Management Committee.
- 4.4 As required by the PSIAS, the Internal Audit function has unrestricted access to all City records and information, both manual and computerised, cash, stores and other City property or assets it considers necessary to fulfil its responsibilities. Audit may enter property of the organisation and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the City should be set out in the conditions of funding. Internal Audit will require and receive such information and explanations as are necessary concerning any matters under examination.
- 4.5 Officers are required to provide all information requested by Internal Audit and Chief Officers shall consider and respond promptly to recommendations made by Internal Audit and ensure that any agreed actions are implemented in a timely and efficient manner.
- 4.6 Departmental policy for the retention or destruction of financial records shall be approved by the Deputy Chamberlain subject to the overriding requirements of the Director of London Metropolitan Archives. Details of the minimum periods for which certain records are to be retained, and guidance as to microfilming and the electronic storage of data, are provided at section 23 of the Financial Regulations.
- 4.7 Further details on the Internal Audit function are provided in the Internal Audit Charter.

### Preventing fraud and corruption

- 4.8 The Chamberlain is responsible for developing and maintaining the Corporate Anti- Fraud & Corruption Strategy, and ensuring that effective internal controls are in place to minimise the risk of fraud, corruption or other financial irregularity.
- 4.9 All Members and Officers must ensure that they comply with the City's Corporate Anti- Fraud & Corruption Strategy, and Anti-Money Laundering guidelines.

- 4.10 Any Member, Officer or contractor of the City, who suspects fraud, corruption or other financial irregularity, must ensure that this is reported promptly to the Head of Audit & Risk Management, in order to ensure that evidence is secured and the matter is considered for further investigation.
- 4.11 Where any individual feels unable to report concerns of fraud, corruption or other financial irregularity directly to the Head of Audit & Risk Management or their line manager, they should report those concerns via the City's whistleblowing channels. Those reporting genuine concerns under the Whistleblowing Policy will not be at risk of suffering any form of retribution as a result of the disclosure.
- 4.12 The Head of Audit & Risk Management must consider whether an investigation is appropriate, and, if so decided, must arrange for such an investigation. The Head of Audit & Risk Management will report the findings of any criminal, civil or disciplinary investigation to the Chamberlain and relevant Chief Officer.
- 4.13 Management should not attempt to interview staff suspected of perpetrating a fraud, corruption or other financial irregularity, unless expressly asked to do so by the Head of Audit & Risk Management, as this may prejudice any disciplinary or police investigation and/or subsequent legal proceedings.
- 4.14 The Head of Audit & Risk Management will, in consultation with the Chamberlain and/or Town Clerk and the relevant Chief Officer, report matters of a criminal nature to the Police for consideration of criminal investigation, where considered appropriate to do so.
- 4.15 The Head of Audit & Risk Management will maintain a register of all reported incidents of fraud, corruption or other financial irregularity. These will be reported periodically to the Audit & Risk Management Committee.
- 4.16 Any employee who suspects money laundering activity must report this promptly to the Head of Audit & Risk Management, who is designated as the City's Money Laundering Reporting Officer (MLRO).

## SECTION 5: RISK MANAGEMENT

- 5.1 The Accounts and Audit Regulations 2015 (as amended) require that the City ensures that its financial management is adequate and effective and that there is a sound system of financial control that facilitates the effective exercise of the City's relevant functions and that includes risk management arrangements.
- 5.2 Under the Local Government Act 1999, the City (as a local authority and police authority) is under a general Duty of Best Value "to secure continuous improvement in the way in which its functions are exercised, make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The application of risk management supports this statutory duty.
- 5.3 The CIPFA "Delivering good governance in Local Government Framework 2016 Edition" identifies risk management as one of seven core principles in the overall effective governance of a local authority.
- 5.4 The Charity Commission sets out the expectations for charities and risk management, within its guidance. Those charities for which the City is Trustee are required to have regard to this guidance.
- 5.5 The City must consider this guidance in the development of its approach to risk management for each of the charities for which it is Trustee. In addition, unless in conflict with charity law and regulatory requirements or considered not to be in a charity's best interests, the City's Corporate Risk Management Strategy and governance processes must be followed.
- 5.6 The City is committed to establishing an effective risk management framework and culture to enable management at all levels to deliver their objectives in the light of those risks. This commitment is set out in the Policy Statement together with the risk management formal process in the City's Risk Management Strategy. This Strategy is approved by the Audit and Risk Management Committee.
- 5.7
- (a) The Chamberlain is the lead Chief Officer for Risk Management within the City and responsible for preparing, maintaining and promoting the Risk Management policy and strategy, securing approval of the Audit and Risk Management Committee and maintaining the corporate risk register.
  - (b) The Chamberlain may also issue requirements and /or guidance to Chief Officers to maintain or improve the City Corporation's risk management framework.
  - (c) The Chamberlain will regularly report to the Audit and Risk Management Committee corporate and top red departmental risks as well as providing an annual assessment of the overall effectiveness of the corporate risk management framework (this will usually be reported in the Annual Governance Statement).
- 5.8
- (a) Chief Officers must have regard to the requirements and /or guidance issued by the Chamberlain and adhere to the City's risk management policy and strategy.

(b) Specifically, Chief Officers are responsible for:

- Ensuring that risk management is integrated into business planning, programme and project management and finance planning.
- Ensuring that there are appropriate management arrangements for the continuous identification, assessment, mitigation, monitoring and reporting of risk within the department.
- Maintaining corporate and departmental, service, team risks on the corporate risk system and use system generated reports for management and Committee reporting purposes.
- Reporting their corporate and departmental level risks to their relevant Committee(s) in accordance with the Guidance on reporting risk information to Grand Committees.
- Appointing a senior officer to act as the departmental risk co-ordinator to promote effective risk management within the department, liaise with the corporate risk advisor and ensures it complies with the City Corporations risk management policy and strategy.
- Reducing the risk of significant service disruptions by ensuring that they have in place appropriate and robust business continuity plans.



## **SECTION 6. TREASURY MANAGEMENT**

- 6.1 The Court of Common Council adopts the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. This regulation shall include management of monies in connection with cash and funding resources of the City as Police Authority.
- 6.2 A Treasury Management Strategy Statement and Annual Investment Strategy setting out the City's strategy and procedures is adopted annually by the Court of Common Council and includes the following scheme of delegation for the operation of treasury policy:

### **The Court of Common Council**

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of annual strategy

### **The Financial Investment Board and Finance Committee**

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- Budget consideration and approval.
- Approval of the division of responsibilities.
- Receiving and reviewing regular monitoring reports and acting on recommendations.
- Approving the selection of external service providers and agreeing terms of appointment.

### **Audit and Risk Management Committee**

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

### **The Chamberlain**

- Application of approved strategy
  - Treasury dealing with counterparties
  - Authorisation of cash transfers
  - Borrowing and lending documentation.
- 6.3 All money in the management of the City shall be aggregated for the purposes of Treasury Management and shall be under the control of the Chamberlain.
- 6.4 All executive decisions on borrowing, investment or financing shall be delegated to the Chamberlain or through their staff, who shall be required to act in accordance with the Treasury Management Code.
- 6.5 The Chamberlain shall report to the Financial Investment Board not less than twice in each financial year on the activities of the Treasury Management operation and on the exercise of the Treasury Management powers delegated to him. One such report shall comprise an Annual Report on Treasury Management of the succeeding financial year.

- 6.6 Trustee Reports provided for Charitable Funds managed by the City are compliant with Charities (Accounts and Reports) Regulations 2008 and make a risk management statement in their trustee's report.

## **SECTION 7. INVESTMENTS, BORROWING AND TRUST FUNDS**

- 7.1 All borrowing or investments of money shall be made in accordance with the orders of the Court of Common Council or as delegated to the Finance Committee, Investment Committee, Financial Investment Board or Social Investment Board and the Chamberlain.
- 7.2 All securities for money shall be held by the Chamberlain or their nominees, except where legal requirements necessitate their being held elsewhere.
- 7.3 The Chamberlain shall maintain records of all borrowing of money.
- 7.4 All Members and Officers acting as trustees by virtue of their official positions shall deposit all securities relating to the trust with the Chamberlain, or their nominees, unless the deed otherwise provides.
- 7.5 In addition to the matters set out at 7.1 – 7.4 above, all investments of charitable funds must comply with the relevant charity's governing documents, the Trustee Act 2000, the Charities Act 2011 and other regulatory requirements.

## **SECTION 8. PROCUREMENT**

- 8.1 In accordance with Standing Order 51 all procurement and contracts activity must be undertaken by Officers in accordance with the agreed Procurement Code.
- 8.2 Chief Officers shall be responsible for all procurement originating from their service for the execution of any works, supply of goods, materials and services and shall ensure that the selection of firms to be invited to tender shall be in accordance with the procedures detailed in the Procurement Code and Corporate Project Procedures.
- 8.3 No City contract shall be issued unless its terms have been previously approved by the Comptroller and City Solicitor and be consistent with the requirements as laid down in Standing Orders, Procurement Code and these Financial Regulations.
- 8.4 The use of corporate purchase cards (P-card) is restricted to authorised staff that must follow the rules of the Purchase Card Policy. Where appropriate, a P-card should be used for all expenditure up to £1000 per transaction. Card users are responsible for entering information onto the P-card system which is clear and accurate, avoiding the use of terms which may be open to misinterpretation. The Purchase Card Policy lays out further detail on P-Card use.
- 8.5 Purchase orders must be raised through City Finance System and in compliance with the Procurement Code.
- 8.6 Where contractors are engaged for works that fall within the scope of the Construction Industry Scheme (CIS), City Procurement shall confirm whether the contractor holds a valid Unique Tax Reference (UTR) number and verify whether the contractor is registered with HM Revenue & Customs (HMRC) for CIS, ensuring that tax is deducted from payments at the appropriate rate.
- 8.7 Prompt notification shall be given to the Chamberlain's Insurance and Risk Management Team of any alteration to the Corporation's insurance status resulting from the award or completion of any contract.
- 8.8 All ex gratia and non-contractual claims from contractors shall be referred to the Deputy Chamberlain and to the Comptroller and City Solicitor for comments before settlement is reached. They will further advise on whether approval of Finance Committee needs to be sought prior to settlement.
- 8.9 The Deputy Chamberlain shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and shall be entitled to make all such enquiries and receive such information and explanations as may be required to satisfy the accuracy of the accounts (see section 24 of the Financial Regulations for further details).

## SECTION 9. PAYMENTS OF ACCOUNTS

- 9.1 Payments shall be made, wherever possible, through City Finance System and by the Bank Automated Clearance System (BACS). Where payment by BACS is not possible or feasible then payment shall normally be made by cheque drawn through the City Finance System or, in the case of payments of £1m or more, by the Clearing House Automated Payment Systems (CHAPS). Any payment of £1m or more paid via BACS or cheque must be authorised by the Corporate Treasurer in addition to the standard approvals.
- 9.2 Any payments where timing is crucial (e.g. certain property transactions) or where use of BACS would not be appropriate may be processed by CHAPS or Faster Payment. This process should not be used for regular creditor payments. Payment by CHAPS or Faster Payment is available from the Chamberlain's Financial Services Division.

Payments in foreign currency, or sterling payments to a non-UK bank account, shall be made as International payments via internet banking using the beneficiary's International Bank Account Number (IBAN) where possible together with their Bank Identifier Code (BIC, also known as a SWIFT code).

Payment requests in foreign currency or a sterling payment to a non-UK bank account should be made using the standard form which is available from the Chamberlain's Financial Services Division and submitted to the relevant accountant in that Financial Services Division.

- 9.3 No officer shall be able to approve a requisition or purchase order that he/she has raised in the City Finance System. The appropriate separation of duties is/shall be ensured by the maintenance of relevant responsibilities and purchase order approval hierarchies within the City Finance System with the exception of system administrators.
- 9.4 The City Procurement Data Team shall be responsible for maintaining and updating the purchase order approval hierarchy in the City Finance System and authorised signatories for PO exempt payments, however departments and service areas shall be responsible for informing the City Procurement Data Team of required changes to the hierarchy/list.
- 9.5 The person named as the Requestor on the relevant purchase order is responsible for Goods Receipting in the City Finance System to confirm that the goods/services/works have been delivered.
- 9.6 Payments for will follow the receipt of a valid/undisputed invoice and where the goods, services, or works have been delivered in full. Where officers consider it to be in the best interests of the City to make a payment in advance, such payments shall only be made if the appropriate authorisation below has been provided in writing:

<b>Cost of works, goods or services (exc. VAT)</b>	<b>Authorisation Required</b>
Up to £49,999	Head of Finance and Corporate Treasurer
£50,000 to £99,999	Deputy Chamberlain
£100,000 to £199,999	Chamberlain
£200,000 or above	Finance Committee

- 9.7 Before requesting advance payment, a short business case including the risks should the company not deliver is to be included with request for advanced payment.
- 9.8 Payments in advance may be made by Purchase Cards (P-cards) without further authorisation provided P-cards are used in accordance with the P- card Policy.
- 9.9 Compliance with the P-card Policy is mandatory and non-compliance in certain circumstances may result in disciplinary action.
- 9.10 The Accounts Payable Team is responsible for the payment of all invoices for goods and services. Invoices should be sent directly to the Accounts Payable team. Any invoices received by departmental officers must be forwarded to the Accounts Payable Team without delay.
- 9.11 All undisputed invoices must be paid within 30 days of receipt, but contractual terms may oblige the City to pay certain invoices sooner.
- 9.12 Where contracts, valued more than £250,000 for payments to be made by instalments, all payments to contractors shall made on receipt of a valid VAT invoice and be accompanied by a certificate issued and signed by the Corporation's designated officer or consultant which confirms the value of work completed. Those contracts not subject to the issue of certificates, may be paid on invoices.
- 9.13 Receipting a purchase order (PO) or authorising payment of accounts (by way of approval workflow) in the City's Finance System will release invoices matched to that PO for payment on the due date. Before receipting a PO, officers must determine that:
- a) The works, goods or services to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards.
  - b) The receipt amount reflects the ordered value of services provided/goods received.
  - c) Appropriate entries have been made in inventories or store records.
  - d) Proper internal check procedures have operated in the examination of the account.
  - e) The account has not been previously paid and is a proper liability of the City.
- 9.14 Before authorising payment of accounts by way of the City Finance Systems approval workflow or email/signature (Authorised Signatories List) for services that are purchase order exempt, Authorisers or other appropriate officers shall determine that:
- a) The works, goods or services to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards.
  - b) The amount reflects the ordered value of services provided/goods received.
  - c) Prices, extensions, calculations, discounts, other allowances and credits are correct, as expected or are otherwise reasonable.
  - d) The expenditure has been properly incurred and is within the relevant estimated provision.

e) The account has not been previously paid and is a proper liability of the City.

9.15 All supplies of unused cheques are to be properly recorded and securely held by the City Procurement team, then issued for processing via secure cheque printing software. Following each payment run, all surplus unused cheques capable of re-use should immediately be taken back into stock and the records adjusted accordingly. Those cheques which are spoilt, defaced or unused, but not capable of re-use, must be recorded, cancelled and destroyed by the City Procurement Team.

## **SECTION 10. IMPREST ACCOUNTS (PETTY CASH)**

- 10.1 The Deputy Chamberlain shall provide Imprest accounts and may arrange for bank accounts to be opened for use by holders of Imprest accounts but are not generally encouraged. Such bank accounts shall not be overdrawn.
- 10.2 No sums received on behalf of the City may be paid into an imprest account but shall be banked separately or paid to the City promptly as may be directed. Income and change floats shall be kept separately from the imprest cash at all times and shall not be used to fund cash expenditure.
- 10.3 Payments from imprest accounts shall be limited to minor items, the maximum value of which shall be £100; larger figures require the prior approval of the Chamberlain's Internal Audit Section.
- 10.4 Claimants should use the petty cash claim form that can be found on the intranet.
- 10.5 All imprest/petty cash claims should be approved by a second officer (either the Head of Finance or their nominated officer) prior to reimbursing the claimant. This ensures a separation of duties is maintained between the person claiming the money and the person approving that payment can be made for appropriate spend.
- 10.6 All payments shall be supported by vouchers and all receipts, including a VAT receipt wherever appropriate. Payments made on behalf of the Commissioner of Police in pursuit of their operational responsibilities may exceed the maximum figure where specifically authorised by the Commissioner of Police.
- 10.7 Imprest holders shall provide the Chamberlain with certificates annually which must be sent to their departmental finance unit promptly after the end of the appropriate financial year.
- 10.8 A reconciliation of imprest accounts should be completed on a monthly basis by each Department. As part of the annual closing process, Corporate Accountancy will circulate an imprest account/petty cash certificate to all Heads of Finance/Group Accountants who should complete the certificates, ensure that they reconcile to the general ledger and return them to Corporate Accountancy.
- 10.9 Reimbursements of imprest accounts shall be made through the City Finance System ordinarily at monthly intervals, following a full reconciliation of the imprest account and, in any event, frequently enough for the relevant bank account to remain in credit until the reimbursement cheque is deposited and cleared.
- 10.10 If an imprest holder leaves the City's service, he or she shall account to the Deputy Chamberlain for the amount advanced.
- 10.11 Disbursements shall be limited to minor items of expenditure, and specifically should not include expenditure which should form part of the payroll system, (e.g. clothing and car allowances), nor shall they include the encashment of personal cheques and the advancing of loans.
- 10.12 The only bank charges which should be incurred, in respect of imprests operated via a



bank account, are those in the normal course of operation of the account.

- 10.13 All Departments holding petty cash should ensure that, at all times, cash is adequately secured. As a minimum this should be in a cash box within a lockable drawer. Amounts in excess of £100 should be kept in a safe overnight.
- 10.14 Whenever any matter arises which involves or may suggest irregularities affecting a petty cash/imprest account, the Chief Officer concerned shall notify the Deputy Chamberlain or Head of internal Audit forthwith. This also applies in the event of any loss from the imprest account identified during reconciliation.

## **SECTION 11. TRAVELLING AND SUBSISTENCE CLAIMS**

- 11.1 All claims for reimbursement of travelling, subsistence and minor personal expenses shall be made via the payroll system (self-service through the HR/Payroll System). Each claim shall be promptly submitted for payment through the HR system detailing the expenditure incurred, supported by receipts, dated, coded, and approved electronically by the appropriate authorising officer. Items or services purchased on behalf of the City must not be reimbursed through the HR System and instead where possible a Purchase Card (P-card) should be used to avoid the need for a claim. If it is not possible to make a payment using a P-card then the only alternative would be for a payment request claim to be processed via Accounts Payable within the City Finance System. Officers making purchases on behalf of the City using their own funds should ensure they have prior approval otherwise this is at their own risk and it does not guarantee the claim will be paid out. Claims for reimbursement of travelling, subsistence and minor personal expenses should be submitted on a regular monthly basis and within three months of the date the expenditure was incurred. The reimbursement of claims falling outside of this timeframe will require the permission of the Chamberlain. Such permission will only be given following Chief Officer justification for the late submission of the claim. Claims for expenses, where more than six months has lapsed since the expenditure was incurred, will not be allowed.
- 11.2 Travel should be booked in accordance with the City Corporation's Travel Policy. The preferred method of payment for any business travel expenditure outside of a Corporate Contract or to be re-imbursed through Payroll up to £1000 is a (P-Card) in line with Section 8.4 of these regulations and the P-Card Policy.
- 11.3 Claims with a total value of less than £100 (inclusive of VAT) may be reimbursed from petty cash where use of a P-card would be unsuitable or a P-card is unavailable i.e. outside of office hours or for one off expenditure.
- 11.4 Copies of claims and VAT receipts must be kept by the claimant for audit and accounting purposes.
- 11.5 Every Officer who receives a car loan or car allowance, whether casual or essential, must produce to their Chief Officer the registration document of the car, a valid certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. The Chief Officer shall be promptly informed of any subsequent changes to the above details.
- 11.6 All car allowances are to be paid through the payroll system.
- 11.7 The certification by or on behalf of the Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate City scheme have been observed.
- 11.8 All travelling allowances paid shall be in accordance with the current provisions laid down by the City in the Business and Travel Expenses Scheme. All subsistence allowances paid shall be in accordance with the current provisions laid down by the City in the Employee Handbook.

11.9 The payment of fees for individual membership of professional bodies shall be the responsibility of the member of staff to whom the individual membership relates. Consistent with the Subscriptions to Professional Bodies, Societies and Business Interest Groups employee policy, staff can, through the HR System, reclaim membership fees for approved professional bodies, a list of which can be found on SharePoint. Fees for corporate membership of professional bodies shall be paid by the Chamberlain's Accounts Payable Team.

## **SECTION 12. CUSTODY AND SECURITY OF ASSETS**

- 12.1 Chief Officers are responsible for maintaining proper security and stewardship over all assets under their control in accordance with Standing Order 55.
- 12.2 Chief Officers are responsible for the maintenance of registers for City Fund, City's Cash and Bridge House Estates assets as follows:
- Property (Buildings and Land) - City Surveyor
  - Police Vehicles - Commissioner of Police
  - Other Vehicles - Director of Built Environment
  - Exhibits - Assistant Town Clerk and Cultural Hub Director
  - Barbican Centre - Managing Director, Barbican Centre
  - Infrastructure - Director of Built Environment
- 12.3 All Chief Officers shall ensure that any information requested from them by the above registrars, for the purposes of maintaining the above asset registers, is provided rapidly and freely. Any acquisitions or disposals of assets (other than furniture and equipment) should be notified to the relevant registrar at the appropriate time.
- 12.4 Asset registers are required to itemise all City Fund assets which cost in excess of £1,000 and for those assets acquired since 1st April 1990, the date and cost of acquisition. In respect of all assets other than land and buildings, the information should be capable of being extracted from inventories. Although the Chamberlain is the statutory registrar for items of furniture and equipment, it is the responsibility of each Chief Officer to maintain inventories for all furniture and equipment within their control (There is no longer a requirement to provide separate registers of furniture and equipment items costing in excess of £1,000).
- 12.5 The authority to acquire new or add to/enhance existing assets with a value in excess of £50,000 is subject to the Corporate Project Procedure or as otherwise required in accordance with standing orders.
- 12.6 A terrier (a record system for the City's land and property holdings) shall be maintained by the City Surveyor's for all City properties, whether owned or leased. This should supplement the information required to maintain property asset registers for all Funds.
- 12.7 The Comptroller and City Solicitor is responsible for the safe custody of all deeds and lease agreements in respect of all properties owned or leased by each of the City's Funds.
- 12.8 For acquisition of property a completed acquisition statement shall be provided by the Comptroller to the Chamberlain prior to the transaction being completed

### **Disposal of Assets**

- 12.9 Assets with a value in excess of £5,000 require approval of the relevant service committee or board before disposal. In addition, there is specific governance relating to the disposal of property within standing orders. Where acquisition of a number of assets has been aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc)

then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centrally held reserves – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific member approval.

- 12.10 Assets should be disposed of at Fair Value – any proposal to dispose of an asset at below fair (market) value must be in consultation with the Chamberlain and Comptroller and City Solicitor and requires specific member approval.
- 12.11 The Chamberlain must be advised of the disposal of capital assets before the year-end to ensure the accuracy of the City's published accounts.

## SECTION 13. INSURANCE

- 13.1 The City maintains insurance cover to limit the financial impact of the consequences of an incident giving rise to the loss or damage to the City's assets or a claim being made against the City.
- 13.2 The Chamberlain shall affect and maintain all appropriate insurance policies and will manage all claims within the policies, in consultation with other officers as necessary.
- 13.3 Chief Officers shall notify the Chamberlain's Insurance and Risk Management Team promptly of all new risks, assets or material changes relevant to the City's insurance policies. This may include, but not be limited to:
- Significant organisational changes, responsibilities and practices e.g. major in/outsourcing.
  - Additions, loans and disposals of assets, including properties, vehicles, works of art etc.
  - Contract works, changes of use and occupancy of properties.
  - Major events, collaborations.
- 13.4 Chief officers shall maintain and provide up to date insurance values for the assets insured.
- 13.5 Chief Officers shall immediately notify the Chamberlain's Insurance and Risk Management Team of any loss, liability or damage to third parties or to City property that may lead to a claim and take appropriate action to prevent further losses occurring. All officers and staff must comply with the relevant terms and conditions of the insurance policies and provide assistance in the investigation of any claim within the specified timescales, as required. No admission of liability or offers of payment should be made that may prejudice the assessment of liability in respect of any insurance claim.
- 13.6 No Chief Officer shall enter into any indemnity which the City is required to give unless the terms thereof have been approved by the Deputy Chamberlain and Comptroller and City Solicitor or their named delegated officer.
- 13.7 The Chamberlain's Insurance and Risk Management Team shall be notified immediately that any valuables belonging to a private individual are taken into the Corporation's possession so that directions may be given as to their recording and safe keeping. The term "valuables" shall include watches, jewellery, cash, documents, goods, chattels or any other items of intrinsic value. It does not apply to "lost property" of a low value.

## SECTION 14. SECURITY AND DATA PROTECTION

- 14.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, information etc. under their control (see also Financial Regulations concerning Inventories Section 19). In this respect, he or she shall inform the Deputy Chamberlain or Head of Audit & Risk Management and the Security Board where appropriate, immediately where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 14.2 Maximum limits for cash holdings shall be agreed with the Chamberlain's Head of Audit & Risk Management and shall not be exceeded without their express permission.
- 14.3 Keys to safes and similar receptacles are to be the responsibility of designated Officers and are to be kept secure at all times. Loss of any such keys must be reported to the Deputy Chamberlain or Head of Audit & Risk Management forthwith. Duplicate keys to all safes are to be held in a place approved by the Chamberlain's Head of Audit & Risk Management and locked away for use in the case of emergency only.
- 14.4 Chief Officers should ensure that all staff are aware of the arrangements which the City has in place for the proper control and management (including retention) of all information owned by, or otherwise under the control and management of, the City and held in any format (e.g. paper, electronic, microfiche, etc.). Chief Officers should ensure that all members of their Department are aware that information concerning secret and confidential matters or personal information must not be disclosed in any way except to persons entitled to receive such information. All staff are expected to be familiar with the Employee Handbook, have completed relevant mandatory training (including IT security and data protection training), and be familiar with their own department's policies and procedures.
- 14.5 All staff, including temporary, contract or agency staff, are required to comply fully with the requirements of the Data Protection Act (DPA) and the United Kingdom General Data Protection Regulations (UK GDPR). Chief Officers, (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have particular responsibility for implementing appropriate measures and maintaining proper safeguards to ensure the security and the appropriate degree of privacy of all personal data held within their departments, whether electronically or in other formats. The City's IT Director and the City's IT Information and Security Director (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have similar obligations relevant to their role.
- 14.6 In Particular, Responsible Officers are required to implement "privacy by design and default", to comply with the six data protection principles under the UK GDPR, and to maintain appropriate records, including Records of Processing Activities (ROPA) and, where appropriate, undertake Privacy Impact Assessments (PIA). Where processing is contracted out to third parties then the requirements for data processors must also be complied with.
- 14.7 The City's IT Director shall agree with Chief Officers, consulting as appropriate with the Chamberlain's IT Audit Manager, the degree of privacy and security to be applied to IT Systems. The IT Information and Security Director shall then be responsible for maintaining proper security and the agreed control of access the systems to maintain the privacy or confidentiality the information held on those systems where he is responsible for

development, support or operation of those systems. Chief Officers are responsible for maintaining such standards within their own departments.

- 14.8 Chief Officers should ensure that all staff within their department who use IT and communication storage devices (e.g. Desktop PCs, Laptops, PDAs, Smart Phones, Mobile phones, etc.) are aware of, and adhere to, the current IT Security requirements and Internal Audit Guidelines. All new employees should be briefed as to the security policies and procedures that are applicable to them, including the implications of relevant legislation.
- 14.9 Prior to the employment of temporary contract, or agency staff, each Chief Officer should ensure that they receive written confirmation from such staff that they understand and agree to conform to the Rules for the Use of City Information Technology Systems (IT) Facilities. System access will be provided by the IT Service Desk. Line of Business Application (LOB) access may require authority to access the specific information from the relevant business system administration team.



## **SECTION 15. INCOME & BANKING ARRANGEMENTS**

- 15.1 The systems effecting the collection of all money due to the City shall be approved by the Chamberlain.
- 15.2 All banking arrangements shall be made by or subject to the prior approval of the Chamberlain.
- 15.3 The Chamberlain shall be notified promptly of any event where income potential will arise to the City. In such instances the Chamberlain shall be consulted prior to any contracts, leases and other agreements and arrangements being entered into which involve the receipt of money by the City, and the Chamberlain has the right to inspect any document or other evidence in this connection as he may decide.
- 15.4 Each Chief Officer shall ensure the use of City Finance System for the raising of debtor invoices and the recording of data in respect of miscellaneous invoiced income, unless otherwise directed by the Deputy Chamberlain.
- 15.5 Departments shall ensure that arrangements are in place for the regular and frequent reconciliation of amounts collected to the general ledger.
- 15.6 All income must be accounted for separately and never credited to an expenditure code. In particular, proceeds from the disposal of assets are not to be off set against expenditures.
- 15.7 All income, whether cheques, notes or coins received by an officer on behalf of the City shall, without delay, be recorded including a reference to the related debt, such as the receipt number, the name of the debtor, details of any cheques or other indication of the origins of the income, and (unless otherwise directed by the Comptroller and City Solicitor) paid intact into a designated bank account. This shall be done at regular intervals and in a manner as directed by the Deputy Chamberlain.
- 15.8 Every officer who banks money shall enter on the paying-in slip their name, their contact telephone number and/or email address, and the number of cheques being paid in (if any). Every officer paying in money should also ensure that the standard electronic form is completed and submitted to the Chamberlain's Income Allocation Team (In Corporate Treasury) on the day of banking to facilitate the correct coding of the banked monies.
- 15.9 Cash payments are not encouraged, except where necessary and Officers must ensure that cash payments are not accepted for individual transactions which exceed the threshold of 10,000 euros (set by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which came into force on 26 June 2017).
- 15.10 Departmental procedures for accepting cash, cheques or credit cards tendered in respect of the sale of goods, materials or services by the City shall be agreed by the Deputy Chamberlain.
- 15.11 All cheques and similar documents (but excluding cheques drawn on authorised imprest

accounts) shall be ordered only on the authority of the Deputy Chamberlain, who shall make proper arrangements for their safe custody.

- 15.12 Cash holdings on premises shall be kept to a minimum, in safes or locked receptacles appropriate for the value being held with regard to the insurance limits. The average and maximum values held in safes must be notified to the Insurance and Risk Management team.
- 15.13 Money held on behalf of the City shall be kept separately from personal funds and shall not be used in any way for personal purposes.
- 15.14 Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving Officer.

#### VAT

- 15.15 Chief Officers shall ensure that the form of any sundry debtor invoice, or other equivalent document used in the collection of VAT, is approved by the Deputy Chamberlain prior to use.
- 15.16 For all new income streams advice should be sought from the City's VAT Accountant to determine the appropriate VAT liability. A guide for VAT can be found on the intranet.

#### Irrecoverable debts

- 15.17 No debt shall be written off without first obtaining the approval of the Chamberlain's Head of Revenues and the required level of authority (see Standing Order 52). Write offs may be approved for a variety of reasons, among the more usual are:
- (a) insufficient legal proof of the debt or liability for the charge.
  - (b) probable expense of legal action in excess of amount to be recovered.
  - (c) debtor cannot be traced.
  - (d) debtor with insufficient means or assets.
  - (e) the debt represents the balance outstanding after a final dividend has been paid in bankruptcy or insolvency cases.

Chief Officers shall maintain relevant documentation to support the validity of the write-off, confirming that action has been taken to mitigate the loss. Where a series of debts are proposed to be written off at the same time, their aggregate value shall be used when considering authority required for the write-off under Standing Order 52.

#### Fees and Charges

- 15.18 When determining fees and charges to persons or external organisations, all departments should recover full costs, or submit reasons to the appropriate Service Committee when that objective is not met. The Duty to recover costs must be subject to any other overriding statutory provision e.g. Freedom of Information Act 2000.
- 15.19 Charges and the charging rationale should be reviewed regularly (e.g. annually). The

review of charges should be reported to Committee unless discretion is specifically awarded to Chief Officers.

- 15.20 Should consideration be given to offering goods or services in the form of a benefit-in-kind to a third party, the relevant policy on benefits-in-kind should be followed both prior to making the decision to provide goods or services at a reduced or nil charge, and in subsequent monitoring of this decision.

#### Charitable Grant/Voluntary Income

- 15.21 For all charities for which the City is Trustee regard must be had to the current version of the Charities SORP in relation to the acceptance of grants or other forms of voluntary income. Such income is classified as a 'non-exchange' transaction.
- 15.22 The recognition of grant/voluntary income within the accounts of each charity must follow the general rules of recognition, considering the criteria of entitlement, probability and measurement (SORP 5.8)
- 15.23 Recipients of such income must be mindful as to whether it can be used for any purpose of the charity or is restricted to a specific purpose. Advice should be obtained from the Charities Finance Team and Comptrollers and City Solicitors where either restrictions are being considered or any other form of agreement is to be held with a donor(s).

## **SECTION 16. PARTNERSHIPS**

- 16.1 When entering into collaborative arrangements, be they partnering, partnership agreements, or other forms of sponsorship, each Chief Officer shall undertake an initial due diligence exercise to ascertain which form of collaboration is being proposed. Based on this initial scoping exercise, the relevant collaboration proposal will need a risk management appraisal to ensure that the City's interests are protected and appropriate financial (including fiscal) and legal advice needs to be sought from both the Chamberlain and the Comptroller and City Solicitor. Chief Officers shall ensure that: -
- (a) staff are aware of the Audit Guidelines on partnering and adhere to these where it is possible to do so;
  - (b) Involve City Procurement where appropriate and necessary select routes to choose an appropriate partner, this is especially important if the partnership could result in a contract.
  - (c) Consult with the Chamberlain to ensure expenditure and income transactions are correctly accounted.
  - (d) an appropriate exit strategy is in place.
  - (e) where necessary, proposed contractual and other relevant agreements are approved by the appropriate Service Committee, and where the Town Clerk considers necessary, approval is also received by the Finance and/or Policy and Resources Committees, prior to the conclusion of any negotiations with external bodies; and
  - (f) details of each collaborative arrangement must be forwarded to the Town Clerk for inclusion within a corporate database.
- 16.2 Within three years of the start of a collaborative arrangement (partnering or partnership agreement or sponsorship agreement as the case may be), each Chief Officer shall ensure that the ongoing costs, benefits and risk management issues are reported to the appropriate Service Committee with reference to applicable corporate objectives and agreed project outputs. Further reporting is to be carried out at intervals of three years for as long as the relevant arrangements remain active.
- 16.3 Further information on the Concession Contracts can be found in Rule 18 of the Procurement Code - please see both Part 1 (Rules) and Part 2 (Guidance).

## SECTION 17. GRANT-MAKING

17.1 Grants made by the City Corporation are frequently voluntary payments made to further the purposes of a grant-making charity. Grants can be made to either fund the general purposes of the recipient or for a specific activity or service. A grant may be unconditional, or subject to conditions which must be met before the recipient is entitled to the payment.

17.2 All grants awarded from charitable funds managed by the City shall be made in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. This requires the full value of a grant award/commitment to be recorded as expenditure when a constructive obligation exists. Such an obligation exists when the grant-making charity creates a valid expectation on the part of the recipient that the full grant will be paid. Although grants are non-contractual, a liability still arises if the charity has no realistic alternative but to provide the funding.

17.3 Evidence of constructive obligation for a grant exists where:

- a) The commitment made by the charity is specific i.e. an amount is approved to fund particular services/activities to a named organisation.
- b) The commitment is communicated directly to the recipient before our financial year-end (31 March). Such communication is expected to be a formal offer in writing, approved in line with the relevant delegations of authority operated by the Service Committee involved.
- c) There is an established pattern of practice by the grant-making charity that it will meet its commitments.
- d) Where a grant commitment is payable over a period of more than one year, a liability must be recognised for the full amount of the grant, unless conditions exist for payments falling due after the financial year-end. Grant awards/commitments can be made which give the funding charity the discretion to avoid future payments based on their assessment of whether the conditions attached to the full commitment will be/have been met by the grantee. The inclusion of any such conditions must be communicated to and agreed with the grantee at the original point of the commitment.
- e) Not all conditions attached to a grant award/commitment create a situation that gives the grant-making charity discretion to withdraw from its funding obligation. A requirement for a grantee to provide ongoing reports throughout the life of the project being funded is not sufficient to prevent future years' funding from being recorded upfront as expenditure. Where payments for later years are subject to performance-related conditions, that would allow the funding charity to legitimately withdraw from its commitment if these are not met, this would enable the funder to recognise part of the grant only at the initial point of approval.

An example being 4-year grant of £400,000 approved, payable evenly across the grant period:

- a) Only condition is that annual management accounts for the project are provided – accounting treatment: full £400,000 recorded as expenditure in the month of approval by the relevant Service Committee.
- b) Condition states that at the end of year 2, performance of the grant will be reviewed externally. Satisfactory results will need to be achieved against the stated objectives for the grant to continue – accounting treatment: £200,000 recorded as expenditure in the month of approval by the relevant Service Committee, with the remaining £200,000 recorded as expenditure if/when satisfactory results are approved against objectives.
- c) The payments that are made against grants awarded/ committed will be coded to a balance sheet liability account. At any point in the lifetime of a grant, the amount still due to be paid to the grantee will be recorded in the finance system as an outstanding liability.
- d) Any amounts not paid out at the end of a grant - i.e. balances left as an outstanding liability – should be written-back against grant expenditure. Confirmation of write-backs should be approved by the relevant Service Committee.
- e) Reconciliations of grant liabilities to underlying systems/data should be produced on a regular basis, determined by the value and volume of grants being committed. Discussions on the validity of outstanding liabilities should be held with the relevant service department, with adjustments agreed in line with department held grant-making policies.

17.4 All grants awarded from non-charitable funds managed by the City should aspire to follow recommended practice as established within the Charities SORP, with reasons submitted to the appropriate service committee when this practice is not followed. Advice should be taken from the Central Grants Unit (CGU) if consideration is being given to not following the SORP guidance.

17.5 The City Corporation also makes grants from its non-charitable funds to other organisations to undertake works that deliver a corporate outcome, such as capital grant funding to the Museum of London to relocate to the Smithfield Market site. Approval to such funding requires the authority of the Policy and Resources Committee or Capital Buildings Committee as appropriate.

## **SECTION 18. SALARIES, WAGES AND PENSIONS**

- 18.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees and pensioners of the City shall be made by the Chamberlain or under arrangements approved by him.
- 18.2 Each Chief Officer, or their authorised representatives, shall notify the Chamberlain's Payroll Manager as soon as possible, and in the prescribed form, 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, as laid out in the Employee Handbook.
  - (c) Changes in remuneration, and pay awards and agreements of general application.
  - (d) Information necessary to maintain records of service for superannuation, national insurance, income tax, etc.
- 18.3 All appointments of permanent employees shall be made in accordance with the regulations of the City and the approved establishments, grades and rates of pay. The creation or re-designation of any post requires prior approval in accordance with the Schemes of Delegation as published by the Town Clerk, for City Corporation Departments and the three City Schools. Any changes to existing or new posts made in line with this regulation must be notified to the appropriate HR Business Unit to be entered on the HR system.
- 18.4 All pay amendments and time records shall be in a form approved by the Chamberlain's Payroll Manager. The names of the officers authorised to sign such records shall be sent to the Chamberlain's Payroll Manager by each Chief Officer together with specimen signatures. Changes shall be notified to the Chamberlain's Payroll Manager as they occur.
- 18.5 All Line Manager's engaging on behalf of the City are required to complete the HMRC's Employment Status Service tool. The tool must also be used to ascertain the employment status of other off payroll workers who do not fall under IR35 but should be engaged on a fixed term contract or variable contract due to the nature of the work.

## SECTION 19. INVENTORIES

- 19.1 Chief Officers shall ensure that Inventories of all assets are maintained by their Department. An inventory is a detailed list of assets. "Assets" shall be taken to mean furniture, fittings and equipment, plant, machinery and the City's Treasures. Assets that are being rented or leased on a long-term basis, or such that the responsibilities of stewardship lie with the Department, should also be included in the inventory. Generally, items with a lifespan longer than one year should be included, unless they are already recorded on a formal stock record system.
- 19.2 The inventory should be in the form of a permanent document. It is important to ensure that the inventory is complete and that all parts of it are kept together. The inventory can be in any media, except index cards.
- 19.3 The inventory should provide the following information for each item:
- a. Location, but if the item is moved between locations, note the general area. (A separate record of location may well be necessary).
  - b. Full description
  - c. Serial and Code numbers, if relevant
  - d. Date of purchase and cost of acquisition
  - e. Estimated current replacement value (for insurance purposes), which should be reviewed annually; and
  - f. Date of disposal and the proceeds
  - g. The total of all the estimated current replacement values should be shown, so that the information is readily available for insurance purposes.
- 19.4 Where practical, the inventory should be updated each time there is an acquisition or disposal. This will produce a more accurate record than if all the amendments are done at the end of the year.
- 19.5 Each Chief Officer is responsible for ensuring that an annual check is carried out of all items on the inventory and for taking action in relation to surpluses and deficiencies. If any discrepancies are found when checking the inventory, these should be followed up until reasons have been found. If the result of these findings is that an item has to be removed from the inventory, then the appropriate authorisation should be sought. If the item concerned is valued at more than £5,000, then Committee approval should be sought for any such write-off in accordance with Financial Regulation 19.6 below. The inventory should then be amended accordingly.
- 19.6 The disposal of any item of inventory shall comply with the City's agreed disposals procedures. Items of inventory with an estimated disposal value in excess of £5,000 must be approved by the appropriate Committee. Where the acquisition of an asset was aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centre – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific member approval.
- 19.7 It is important that at least one copy of the inventory is held separately from the assets that it lists, so that if a disaster occurs to the Department or the Guildhall, then all information



is protected for insurance purposes, in the event that items need replacement. If provision has been made for a business continuity box, as part of the Corporation's disaster recovery plan, then this would be the ideal location for a copy of the inventory. For inventories that are kept on computer disk, backup copies should be kept in a fireproof cabinet in a separate location to the computer.

- 19.8 All assets, other than for furniture and equipment, which cost in excess of £1,000 are required to be separately notified to the appropriate registrar for inclusion in the asset register. The Chamberlain, in their statutory capacity as registrar for furniture and equipment, may request inventories to be sent to them at 31st March in any one year.
- 19.9 The City's property shall not be removed or used otherwise than in accordance with the ordinary course of the City's business or purposes except in accordance with specific directions issued by the Chief Officer concerned.

## **SECTION 20. STOCKS AND STORES**

- 20.1 Each Chief Officer shall be responsible for the proper care and custody of the stocks and stores under the control of their department, and shall maintain proper records in such a form and the extent as may be agreed from time to time by the Deputy Chamberlain.
- 20.2 Chief Officers shall ensure that a count and valuation and reconciliation of all stocks and stores held in their departments is carried out, either continuously, or on or about the 31st March of each year. The Deputy Chamberlain, however, may dispense with this requirement in cases where the value of the items held in store is less than £5,000 in total.
- 20.3 Checks and reconciliations of all stocks and stores, should wherever possible be undertaken in the presence of a person independent of the keeping of the stores concerned.
- 20.4 All items of stock, other than PC equipment, found to be surplus are to be disposed of at the best prices available by sale, exchange, internal transfer or scrapped. In respect of PC equipment, this is to be disposed of in accordance with the procedures detailed on the appropriate Intranet page as maintained by the Chamberlain's IT Division.
- 20.5 The return of all goods to suppliers shall be authorized by the appropriate Chief Officer or their authorised representatives. In each instance officers are only to release such goods when they are, certain that the return has been properly authorised, satisfied that the collection company has been previously notified to them, and that they are in receipt of appropriate return note documentation.

## **SECTION 21. MOTOR VEHICLES**

- 21.1 All departments operating vehicles shall maintain records listing details of all motor vehicles under their control whether owned by, hired by or leased to the City. Each Chief Officer shall ensure that all such information concerning vehicles under their control is supplied to the Director of the Built Environment who is responsible for maintaining an asset register for City owned vehicles.
- 21.2 Chief Officers may acquire and dispose of any vehicle provided they comply with the Procedure for the Purchase and Disposal of City of London Vehicles .
- 21.3 The registration documents of all City owned vehicles shall be recorded and held in safekeeping in a manner approved by the Deputy Chamberlain.
- 21.4 Each department hiring or leasing vehicles shall maintain adequate records evidencing the terms of the hire or leasing agreement.
- 21.5 No vehicle shall be used otherwise than in accordance with the ordinary course of the City's businesses or purposes without the prior permission of the Chamberlain. Such permission is only to be given in exceptional circumstances upon presentation of a written report providing justification.
- 21.6 A vehicle trip log shall be kept for all motor vehicles which require a road fund licence. This should show as a minimum the milometer readings at the beginning and end of the trip, the reasons for the trip, and the name of the driver officer in charge of the vehicle during the trip. Chief Officers shall be responsible for ensuring that milometer readings are continuous.
- 21.7 Where a department has its own fuel pump comprehensive records shall be maintained of all deliveries and issues.
- 21.8 The proceeds from the disposal of fleet vehicles previously purchased through a capital project shall accrue to centrally held reserve and may not be used for other purposes such as supplementing local risk budgets.

## **SECTION 22. ENTERTAINMENT & HOSPITALITY**

### Hospitality

- 22.1 Acceptance of gifts or tokens by employees from persons who have, or may seek to have, dealings with the City are dealt with through the Employee Handbook – Code of Conduct – Hospitality & Gifts.
- 22.2 All other Business Expenses (Business Assets) should be purchased via Purchasing Cards/Petty cash.

### Entertainment

- 22.3 All business entertainment expenses must be incurred in accordance with the City Corporation's Business Travel Policy and Travel and Subsistence Policy which can be found on SharePoint.

## SECTION 23. Document Retention

23.1 There is very little specific legislation that prescribes retention of document periods for financial documents in Local Government. Where specific legislation does apply to specific documents, the minimum retention period has been outlined below. Some guidance is given in the Audit Commission Technical Release 2098 "Retention of Documents in Local Government and Health Authorities". In general, this recommends that, for audit purposes, all original records should be retained for at least 18 months after the end of the financial year to which they relate. For example, a document created on 1 June 2000 should be held until 31 September 2002 as a minimum.

23.2 In addition, the Audit Commission recommends the permanent retention of "key records relating to building and engineering works such as surveys, site plans, drawings, bills of quantities, contract documents, including those which relating to major projects which have been abandoned or deferred, deeds, lease documents, insurance policies, inventories, valuations".

23.3 No specific legislation, except that relating to VAT, covers the format in which Local Government records are retained. If a department wishes to consider electronic storage, it should ensure that it complies with the British Standard Code of Practice for Legal Admissibility and Evidential Weight of Information Stored Electronically (PD0008:1999), and the section on Microfilming and Electronic Storage at the end of this section.

### Rates, Community Charge and Council Tax Records

23.4 Apart from archival uses, legal requirements make it necessary to retain details of payments etc. over a six-year period (Limitation Act 1980).

<b><u>Record</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Valuation Lists	General Rate Act 1967	Permanently
Valuation Officer's Direction Lists	General Rate Act 1967	Permanently
Primary Rate Records		10 Years
Supporting Documents to Primary Rate Records		6 Years
Bailiff's completed Receipt Book		10 Years
Rating Lists	L.G. Finance Act 1988	Permanently
Schedules to Rating Lists	L.G. Finance Act 1988	Permanently
Community Charge register	L.G. Finance Act 1988	Permanently
Canvass Form		6 Years
Primary Comm. Charge Records		10 Years
Supporting Documents to Primary Community Charge Records		6 Years
Council Tax Valuation Lists	L.G. Finance Act 1992	Permanently

Schedule to Valuation Lists		Permanently
Primary Council Tax Records		10 Years
Supporting Documents to Primary Council Tax Records		6 Years

### Housing Rental Records

<u>Record</u>	<u>Relevant</u>	<u>Statute</u>	<u>Minimum Period of Retention</u>
Housing Property File/Ledger			6 Years
Housing Primary Rent Collection			6 Years
Records (including rebates and refunds)			6 Years
Other Subsidiary Records			After external audit but a minimum of 18 months after the end of the financial year

### GENERAL INCOME (OTHER THAN RATES, COMMUNITY CHARGE AND COUNCIL TAX)

In general, once an account has been paid there is no need to keep supporting records after the external audit has taken place, except for VAT income accounting purposes (See below).

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Primary Periodical Income Record		3 Years
Primary debtors record		Currency of record or 6 years, whichever is the longer
Supporting documents to 1 & 2 above		3 Years
Assessment files (dead case)		After external audit but a minimum of 18 months after the financial year.
Domestic Help Timesheet		
Income Returns from Departments		

Completed receipt books & other documents		6 Years (See VAT Section)
		6 Years (See VAT Section)
Cash Register Till Rolls		6 Years (See VAT Section)
Housing Act Advances		
Car Loan Repayments, Private Street Works, Public Health Acts etc - payments by instalments over a period of years		Basic information to be retained 12 months after completion of payment.

## **ALL ASSESSMENT RECORDS**

(for a particular year)

<b><u>Record</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Including Rent Allowances & General Income		3 Years
Council Tax and Housing Benefits	Limitation Act 1980	6 Years
Community Charge Benefits	Limitation Act 1980	6 Years

## **EXPENDITURE RECORDS**

<b><u>Record</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Register of Tenders & Quotations		Currency of records, or 6 years for dead cases
Contract Documents (where contract is under seal)	Limitation Act 1980	12 Years
Contract Documents (where contract is not under seal)	Limitation Act 1980	6 Years
Unsuccessful quotations & tenders		A minimum of 12 months after the start of the contract
Contract Register		Indefinitely
Contractors' Final Account Documents	Limitation Act 1980	12 Years
Requisitions for supplies/works		After external audit but a minimum of 18 months after the end of the financial year
Official Copy Orders		6 Years (See VAT Section)

Delivery Notes		6 Years (See VAT Section)
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<b><u>Record</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Periodical Payments Register (dead cases)		3 Years
Paid Accounts/Purchase Invoices		6 Years
Paid Cheques including Giro cheques (presented)		After external audit but a minimum of 18 months after the end of the financial year
<b>Costing Documents</b>		
Stores prime records		
Haulage prime records		After external audit but a minimum of 18 months after the end of the financial year
Postage returns		After external audit but a minimum of 18 months after the end of the financial year
Inter-departmental account transfer		End of the financial year
Petty cash voucher		6 years
Detailed expenditure tabulations (final tabulations)		6 years
Year-end costing and financial tabulations		3 years
Rechargeable work job orders		3 years

## **PAYROLLS**

<b><u>Record</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Timesheets including Bonus Sheet Car		After external audit but a minimum of 18 months after the end of the financial year
Allowance claims		
Other staff returns (e.g. overtime allowances)		After external audit but a minimum of 18 months after the end of the financial year
Payrolls (in whatever final form)		3 Years
P11 & P35 returns		3 Years
Individual pensioners files		Currency of record, 12 months after case has been cleared after death



Pensions payroll		3 Years
Superannuation		
Register of Contributors and Contributions		
Transfer Value documents		Indefinitely
Register of Pensioners		
Quinquennial Valuations - all papers and records		
Half-Year tabulations of employees superannuable pay and contributions		6 Years

## **OTHER ACCOUNTING RECORDS**

<b><u>General Accounting Records</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Bank Pass-Book sheets		
Receivership Records		
Cashier's Collection & Deposit Book		
Cashier's Petty Cash		
Imprest Account		6 Years
Post-dated cheques register		
RD Cheques register		
Cheques (blank) register		
Unpaid wages book		
Deceased Persons Effects Register		Indefinitely
Records of patient's property handed in for safe custody- and property held under Section 48 - National Assistance Act 1948		6 Years after the end of the financial year in which the property was disposed
<b><u>Investment Records</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Register of holdings		Indefinitely
Bought and sales notes when holdings disconnected	Limitation Act 1980	6 Years
<b><u>Loan Records</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Register of Bonds/Mortgages		Indefinitely
Copy Bond Certificates		6 Years after redemption of bond
Temporary Loans Register		After external audit but a minimum of 18 months after the end of the financial year

<b><u>Insurance Records</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Register of Insurances		Indefinitely
Insurance Policies (discontinued)		Indefinitely
<b><u>Financial Administration Records</u></b>	<b><u>Relevant Statute</u></b>	<b><u>Minimum Period of Retention</u></b>
Controlled stationery register		Indefinitely

## **VAT RECORDS**

All records relating to VAT (detailed below) VAT Act 1994: **6 Years**

<b>Type of Record</b>	<b><i>Detail</i></b>
Business and accounting records	<p>Orders and delivery notes</p> <p>Relevant Business correspondence Purchase and sales books</p> <p>Cash and other accounts books Purchase invoices and copy sales invoices</p> <p>Record of daily takings e.g. till rolls</p> <p>Annual Accounts</p> <p>Import and export documents</p> <p>Bank Statements and paying in slips</p> <p>A VAT account</p> <p>Any Credit or debit notes issued or received</p>
A VAT Account	An account summarising the totals of the output tax and input tax for each period.
Copies of all VAT invoices issued	A copy of all VAT invoices must be retained either on paper, computer or other media and should be readily available for inspection.
All VAT invoices received	
Documentation relating to acquisition of goods from other EU countries	

Copy documentation relating to the transfer, dispatch or transportation of goods to or from EU countries.	
Documents relating to imports and exports.	
All credit notes, debit notes or other documents which evidence an increase or decrease in consideration that are received and copies of all such documents that are issued.	
Any documents or certificates supporting special VAT treatment such as relief on supplies to visiting forces or zero-rating by certificate.	
Additional records as required by HMRC	

### Microfilming & Electronic Storage of Documents

23.5 Subject to normal audit procedures for microfilming of documents, the following points are relevant to retention of documents:

23.6 Sections 37 and 39 of the GLC (General Powers) Act 1969 empower the City of London Corporation to make microfilm records of their documents which, notwithstanding that the document may have been destroyed are receivable in evidence, if properly verified, in Court proceedings.

23.7 Any documents to be electronically scanned or microfilmed, for VAT purposes, must first be reported to the Chamberlain's Corporate Treasurer who will seek the permission of HMRC.

23.8 Any documents which have been microfilmed may, subject to the conditions set out in Sections (iii) below, be destroyed after formal closure of the audit for a financial year by the External Auditor. In certain situations, the audit may remain open for a longer period of time. If an audit remains open the authorities must seek approval of the external auditors for the disposal for any documents.

23.9 Instances when documents should be retained:

- (a) Records deposited under Section 4 of the Public Records Act 1958 are to be retained permanently.
- (b) Records deposited or acquired under Section 5 of the City of London (Various Powers) Act 1962 and Section 2 of the Local Government (Records) Act 1962, as amended by the London Government Act of 1963 and any relevant later Acts.
- (c) Documents which are or may be value for administrative, historical, sociological or research purposes should be retained.
- (d) Before documents are destroyed it is recommended that an Archivist be consulted for advice:
  - On the retention on a selective or sampling basis (say 1% to 2%) of a typical set of papers;
  - When doubts exist on documents which should be preserved as having an historical value not only because of their age, but the fact that current documents may from their content or nature have an historical value;
  - On the retention of microfilm after its use for administrative purposes has ceased or at the end of any statutory period for which it is required.

23.10 In general, any microfilm intended to be preserved should be original film and not a diazo copy. References to microfilm are equally applicable to microfiche.

## **SECTION 24. VERIFICATION OF CONTRACTORS AND CONSULTANTS FINAL ACCOUNTS**

### Verification of Contractors' and Consultants' Final Accounts

24.1 The verification procedures set out in (a) and (b) below will apply to final accounts for works contracts. In this context, references to risks relate to the matrix set out in paragraph 20 of the Project Procedure:

1. All Final accounts which exceed £50,000 in value will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,
2. In addition, final accounts of £2,000,000 and above will also be subject to final account verification by the Chamberlain's Financial Services Division (FSD) where (i) the value is £2,000,000 to £10,000,000 and the overall risk of the project has been assessed at some point as "Medium" or "High", and (ii) the value exceeds £10,000,000 regardless of the risk assessment.

24.2 All final account documentation is to be made available before or with the submission of the final account, which is itself to be prepared in accordance with the contract conditions (e.g. within 3 or 6 months of practical completion) and immediately submitted for verification by the City of London. Where the final account has not been verified as correct in accordance with clauses 1.a and/or 1.b, the Final Payment Certificate/Invoice is not to be paid prior to approval of an outcome report (Gateway 6 report as set out in the Project Procedure) which informs Members of the position of the Final Account Verification.

24.3 The verification procedures set out in (a) and (b) below will apply to final fee accounts for consultants that exceed £50,000 in value. In this context, references to risks relate to the matrix set out in paragraph 20 of the Project Procedure:

1. Fee accounts associated with works contracts will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,
2. Fee accounts shall also be submitted for verification by the FSD where the associated works contract final account requires verification by the FSD in accordance with the above regulations.

24.4 Where a consultant's remit includes preparation of final account documentation for the works contract, they shall not submit their final fee account for payment until the works contract final account has been verified as correct in accordance with clauses 1a. and/or 1b. above. A clause to this effect should have been inserted in the fee agreement.

### Submission of Final Accounts to the Chamberlain's Financial Services Division for Verification

24.5 Project Management and Technical staff shall either prepare final accounts, or ensure that this is done by our consultant(s) and contractor(s) for all works contracts, in accordance with the time scales stipulated in the contract conditions, and then make this information available in either digital or hard copy format to the appropriate Financial Services Division

(FSD) Head of Finance along with relevant supporting documentation in the form of Contract Instructions, Variation Orders, Site Meeting Minutes, Practical Completion Certificates, Extension of Time Certificates, Payment Certificates, Invoices, Day-Work Sheets, Priced Bills of Quantities, Specifications, etc.

24.6 Project Management and Technical staff shall prepare final fee accounts for all consultancy appointments, in accordance with the time scales stipulated in the contract conditions, and then make this information available in either digital or hard copy format to the appropriate Financial Services Division (FSD) Head of Finance along with relevant supporting documentation

24.7 When all of the applicable documentation is available the “Originating” Officer in the technical department should email that the final account is ready for verification to the appropriate Financial Services Division (FSD) Head of Finance. This is the Head of Finance who heads the unit responsible for providing financial support services to the client department for the project in question. For works contracts, attached to this email should be a completed copy of the Contractor’s Final Account Checklist form. This email should be copied to the Town Clerk’s Corporate Programme Team for information.