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**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

# THE CONSTITUTION

MAY 2023



## CHAPTER 8: FINANCIAL REGULATIONS

### 8.1 Introduction: Financial Regulations Background and Purpose

- 8.1.1 The Combined Authority shall appoint Officers to undertake the statutory Head of Paid Service (Chief Executive), the Chief Finance Officer, who shall, for the purposes of Section 73 of the Local Government Act 1985, be responsible for ensuring the proper administration of the Authority's financial affairs and Monitoring Officer roles.
- 8.1.2 These regulations shall be read in conjunction with the Assurance Framework, [Chapter 4 - Combined Authority Functions and Responsibilities](#), [Chapter 3 - The Mayor of the Combined Authority](#), [Chapter 6.8 – Decision Making: Budget Framework Procedure Rules](#), [Chapter 9 – Procurement and Contract Procedure Rules](#), and the [Chapter 18 - Officer Scheme of Delegation](#).
- 8.1.3 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the Combined Authority's financial affairs and shall be reviewed at intervals of not more than three years. It is not expected that all aspects of these financial regulations will be required from day one, but to be in place to support the Combined Authority over time.
- 8.1.4 The Chief Finance Officer, as the Officer responsible for the proper administration of the Combined Authority's financial affairs, shall report to the Combined Authority Board (the Board) any significant failure to comply with these regulations which comes to his/her attention.
- 8.1.5 The Head of Paid Service and the Chief Finance Officer shall be responsible for the accountability and control of all resources managed by them on behalf of the Combined Authority.
- 8.1.6 For the purposes of complying with these regulations, the Chief Finance Officer shall be provided with any information he/she may require and shall have access to any documents and records as necessary.
- 8.1.7 Whenever any matter arises which may involve financial irregularity the Chief Finance Officer and the Monitoring Officer shall be notified immediately, and if an irregularity is disclosed the matter shall, at the discretion of the Chief Finance Officer and after consultation with the Head of Paid Service, be referred by them to the Board.
- 8.1.8 Further, in a case where the Head of Paid Service advises that there is *prima facie* evidence of a criminal offence having been committed, the matter shall be reported to the Police forthwith.

- 8.1.9 The Combined Authority's financial transactions are governed by the Local Government Act 2003 and the Accounts and Audit Regulations 2015 as amended.
- 8.1.10 Officers and Members of the Board will maintain the confidentiality of the Combined Authority's business and will not reveal confidential information about the Combined Authority or its finances.

## 8.2 Chief Finance Officer's Duties

8.2.1 The Chief Finance Officer's statutory duties are to:

- (a) provide financial advice to the Combined Authority on all aspects of its activity, including budgets (which shall include the budget for the Office of the Mayor), strategic planning and policymaking to ensure the effective and efficient use of resources;
- (b) advise on the security of assets;
- (c) secure the Combined Authority's banking arrangements;
- (d) provide a treasury management function, including loans and investments, in accordance with the Combined Authority's policy;
- (e) ensure the Mayor and the Combined Authority follows relevant manuals, instructions, and policies;
- (f) produce the Annual Statement of Accounts in accordance with the latest statutory requirements and best practice.

8.2.2 The responsibilities of the Chief Finance Officer include:

- (a) Making arrangements for the proper administration of the financial affairs for the Office of the Mayor and the Combined Authority;
- (b) ensuring, in consultation with the Monitoring Officer, lawfulness and financial prudence;
- (c) ensuring the preparation of a balanced budget;
- (d) ensuring effective systems of internal control;
- (e) advising on anti-fraud and anti-corruption strategies;
- (f) acting as the Combined Authority's Money Laundering Reporting

Officer in accordance with good practice;

- (g) ensuring that statutory and other accounts fairly present the financial position;
- (h) maintaining a continuous review of the financial framework;
- (i) establishing suitable accounting policies and ensuring that they are applied consistently in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom;
- (j) ensuring that budget provision is identified and exists for all existing and new employees.

8.2.3 All Officers must consult and seek approval of the Chief Finance Officer before introducing or amending any records, forms or procedures relating to income and expenditure. The Chief Finance Officer will see that uniform systems are adopted throughout the Combined Authority to ensure that opportunities for fraud and corruption are minimised.

8.2.4 Failure to comply with these regulations may constitute misconduct.

### 8.3 Financial Management: General

8.3.1 Budget holders must comply with the Combined Authority requirements (e.g. under sections 6, 9, and 18 as set out within these regulations).

8.3.2 The following general principles are observed in these accounting arrangements;

- (a) Calculating, checking and recording sums due to or from the Mayoral Office or Combined Authority are separated as completely as possible from the duty of collecting or disbursing them;
- (b) Officers charged with the duty of examining and checking cash transactions should not themselves be engaged in any of these transactions.
- (c) All accounting records relating to the Mayoral Office and Combined Authority must be maintained in the Combined Authority's corporate financial system.

8.3.3 Each Officer must provide the Chief Finance Officer with necessary information for the purposes of accounting and budgetary control in accordance with issued timescales.

8.3.4 The Chief Finance Officer will be responsible for producing regular financial

monitoring reports to the Combined Authority and will submit as soon as possible after the year end, an annual Statement of Accounts which complies with the relevant statutory provisions.

- 8.3.5 The Chief Finance Officer is responsible for ensuring the production of the Combined Authority's Statement of Accounts in accordance with statutory deadlines and will submit the accounts to the Combined Authority's Audit and Governance Committee for approval in line with the current statutory regulations.
- 8.3.6 Each Officer plays a key role in enabling the Statement of Accounts to be produced and is responsible for ensuring that guidance notes and the timetable provided by the Chief Finance Officer is adhered to.
- 8.3.7 Chief Officers are delegated responsibility for the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits as set out in Chapter 18 – The Officer Scheme of Delegation.
- 8.3.8 Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced

#### 8.4 Financial Management: Control of Projects and Programmes

- 8.4.1 Project and programme management arrangements are set out within the following documents:
  - a. Combined Authority's Gateway approval process covering both revenue and capital programmes. The 10 point guide, sets out the process for the documentation to be produced and the approvals to be sought at each Gateway stage.
  - b. The assurance framework is a set of systems, processes and protocols. It is designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. All projects funded will be subject to a prioritisation, appraisal, and monitoring and evaluation procedure.
  - c. Monitoring and Evaluation Framework. This sets out the approach to the commissioning of schemes and the criteria to enable monitoring of projects.

## 8.5 Financial Management: Service and Works Agreements

- 8.5.1 The work to be performed on behalf of the Mayor and/or the Combined Authority shall be the subject of a specific agreement setting out the respective roles and duties of the Combined Authority and the delivery partner. The procurement of delivery of services and goods is specified in Chapter 9. Payments for delivery of service or goods shall be in accordance with the terms of the agreements with the delivery partner and shall not exceed the amount properly calculated to be due.

## 8.6 Financial Planning: Budgets

- 8.6.1 The annual Capital and Revenue budgets for the Mayoral Office and Combined Authority are prepared within the context of the process and timescales of planning, programming and review as agreed by the Combined Authority.
- 8.6.2 The budget will be set and approved in accordance with the [Chapter 8.6 – Decision Making: Budget Framework Procedure Rules](#).
- 8.6.3 The Chief Finance Officer will prepare a medium-term financial plan each year for submission to the Board as part of its Budget approval.
- 8.6.4 The detailed form of capital and revenue budgets and the business planning process will be determined by the Chief Finance Officer to the Combined Authority subject to any instructions given by the Combined Authority.
- 8.6.5 Estimates of annual income and expenditure will be prepared by Officers and the Chief Finance Officer in line with the approved business planning process.
- 8.6.6 The Chief Finance Officer will submit, for Combined Authority approval, a draft Budget of all income and expenditure on Capital and Revenue accounts for the financial year beginning in April of each year in line with agreed approval processes and statutory timescales.
- 8.6.7 Approval of the annual budgets, by the Combined Authority does not give authority to incur revenue and capital expenditure. This authority shall be obtained in accordance with the [Chapter 18 – Officer Schemes of Delegation and subject to compliance with the Combined Authority’s Chapter 9 – Procurement and Contract Procedure Rules and Gateway procedure](#).

## 8.7 Financial Planning: Virements

- 8.7.1 The Chief Finance Officer, after undertaking consultation with the Mayor and Portfolio leads where appropriate, shall be authorised to approve virements between expenditure heads up to £500,000 to be reported at the next available meeting of the Board. Anything in excess of these limits shall be

reported for approval to the Authority. Virements are deemed to be:

Revenue - a transfer between approved budget lines;

Capital - a movement of budget between approved capital schemes.

8.7.2 Changes to investment programmes involving the award of grant to external organisations is a policy matter reserved to the Board and under delegation to the Officers. Approval will be sought from the Board for changes to previously approved programme or scheme funding levels.

8.7.3 Virements between Capital and Revenue require the approval of the Board. In accordance with the scheme of virement and associated thresholds, the Chief Finance Officer is responsible for considering reports submitted by Chief Officers in respect of virement proposals for revenue spending.

8.7.4 The Chief Finance Officer is to report and seek the approval of the Chief Executive to the exercise of the virement powers of the Authority where a matter is urgent.

## 8.8 Financial Planning: Variations

8.8.1 Changes to the overall level of resources available in the revenue budget and capital programme is reserved to the Board. Any proposed changes will be made by the Chief Finance Officer as part of regular budget monitoring.

8.8.2 The Chief Finance Officer may vary the overall level of resource where an amendment is required to accommodate new grant funded activity that has been previously approved by the Board.

## 8.9 Financial Planning: Reserves

8.9.1 As part of the approval process for the annual budget and medium term financial plan the Chief Finance Officer will provide a section 25 statement to the Board of the local government act 2003 to report on the robustness of the estimates made for the purpose of the calculations for the budget, and on the adequacy of the proposed financial reserves.

8.9.2 The Chief Finance Officer may approve the transfer to reserves of a restricted grant, being either ring fenced or subject to conditions imposed by the funder, received by the Authority where the related expenditure is not expected to be incurred in the current financial year.

8.9.3 As part of their duty to make arrangements for the proper administration of financial affairs, the Chief Finance Officer will manage the need for transfers to and from reserves as part of the preparation of the annual financial statements.

8.9.4 Requests to carry forward underspends or to establish earmarked reserves

should be linked to the annual revenue budget and may only be done following review by the Chief Finance Officer and approval by the Board.

## 8.10 Control of Expenditure: Revenue and Capital

8.10.1 A system of budgetary control will be maintained and as part of this control the Chief Finance Officer will submit statements to meetings of the Board showing:

- (a) the progress of income and expenditure to date against the approved revenue budgets for the year;
- (b) a forecast arising from the statements in (a) above of any material variation in income or expenditure anticipated for the financial year.

8.10.2 An Officer must not order goods or services, which exceed the amount in their overall approved budget. If it becomes apparent that the Combined Authority's expenditure cannot be contained within the overall approved budget figure, this will be reported to the Board as part of their regular budget monitoring.

8.10.3 Unspent budgets at the year-end will be taken to reserves, unless specifically approved to carry forward by the Board.

8.10.4 The Chief Finance Officer will ensure that the Combined Authority adheres to CIPFA's Prudential Code for Capital Finance in Local Authorities. The objective of the code is to provide a framework for capital finance that will ensure that:

- (a) capital expenditure plans are affordable in the short term;
- (b) external borrowing and other long-term liabilities are within prudent and sustainable levels for the long-term;
- (c) treasury management decisions are taken in accordance with professional good practice;
- (d) In taking its decisions the Combined Authority is accountable through a clear and transparent framework;
- (e) the framework should support local strategic planning, local asset management planning and option appraisal.

8.10.5 For the purposes of these regulations, capital expenditure is that expenditure which is to be financed from the approved Combined Authority's capital



budget. All capital expenditure proposals should be the subject of the Combined Authority's local Assurance Framework.

8.10.6 Incurring of all contractual liability must be in accordance with the approved [Chapter 18 - Officer Scheme of Delegation](#) and individual accountabilities.

### 8.11 Risk Management and Control of Resources: Risk

8.11.1 Within the context of corporate risk arrangements, each Officer should undertake risk assessments for their areas of responsibility and any proposals for major change. Adequate controls, procedures and resources should be in place to manage and mitigate identified key risks.

### 8.12 Risk Management and Control of Resources: Insurance

8.12.1 The Chief Finance Officer is authorised to effect all insurance cover required in connection with the business and insurable risks of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.

8.12.2 Each Officer is however responsible for minimising the risk for insurance claims and putting in place risk management processes for their areas of responsibility.

8.12.3 Any Officer having responsibility for establishments or activities must:

- (a) promptly and where possible in advance notify the Chief Finance Officer in writing of the extent and nature of any new material risks or increased risks to be insured;
- (b) immediately notify the Chief Finance Officer in writing of any loss, liability or damage which is or may be covered by insurance;
- (c) obtain the approval of the Chief Finance Officer regarding the terms of any indemnity, which the Combined Authority is requested to give;
- (d) immediately inform the Chief Finance Officer of any occurrence which may lead to a claim against the Combined Authority.

8.12.4 All claims against the Combined Authority and all claims by the Combined Authority against other persons shall be approved within the delegated levels of expenditure.

### 8.13 Internal Control Framework

8.13.1 The Chief Finance Officer is responsible for maintaining adequate and effective internal control arrangements. This includes a continuous appraisal of all accounting, financial and other controls throughout the Mayoral Office and Combined Authority. The objectives of the framework are to:

- (a) review, appraise and report upon the soundness, adequacy and application of financial and related management controls;
- (b) examine and report upon the extent to which the Combined Authority's assets and financial interests are accounted for and safeguarded from losses of all kinds arising from:
  - (i) fraud, corruption and other offences;
  - (ii) waste, extravagance, poor value for money or any other cause;
- (c) contribute to the monitoring of the use of resources in the pursuit of the defined objectives of the Combined Authority;
- (d) receive and act upon information concerning allegations or suspicions of fraud and corruption as detailed in the Combined Authority's approved Fraud and Corruption Response Plan.

#### 8.14 Internal Audit

8.14.1 The Chief Finance Officer shall arrange internal audit and reviews of financial records and operations in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance. Those responsible for Internal Audit, on producing appropriate identification shall have authority to:

- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;
- (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
- (c) require and receive such explanations as are necessary concerning any matters under examination;
- (d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control;
- (e) report direct to the Head of Paid Service if considered appropriate.

8.14.2 The Audit and Governance Committee will review the internal audit

requirements of the Combined Authority, approve the internal audit plan and consider reports and assurances from the Chief Finance Officer in relation to internal audit.

## 8.15 External Audit

8.15.1 The key responsibilities of the Chief Finance Officer with regard to external audit are to:

- (a) ensure the appointment of external auditors in accordance with statutory requirements and Board decisions;
- (b) maintain accounting records and prepare Statements of Account;
- (c) liaise and work with the External Auditor on a regular basis;
- (d) receive and deal with all queries relating to the work of External Audit;
- (e) inform the External Auditor of all fraudulent cases that have been referred to the police.

## 8.16 Assurance Responsibilities

8.16.1 Each Officer has responsibility to ensure:

- (a) reviews that have taken place to evaluate, correct and report on controls and systems in place;
- (b) compliance with the Combined Authority's Standing Orders, [Chapter 8 - Financial Management Procedure Rules](#), [Chapter 9 – Procurement and Contract Procedure Rules](#) and risk management requirements.

## 8.17 Fraud and Corruption

8.17.1 The responsibility for the prevention and detection of fraud rests with all employees. An Officer shall immediately inform the appropriate Officers of any circumstances which may suggest that there has been irregularity affecting cash, or other Combined Authority property and also of any payment or reward which has been accepted from any outside person or firm in respect of the work which such other person performs, as well as any impropriety or significant error in accounting or financial records or in relation to any contract for goods or services entered into by the Combined Authority.

- 8.17.2 Information received will be treated confidentially, and Officers should be assured that anonymity will be respected and it will not affect their employment situation or future prospects with the Combined Authority.
- 8.17.3 Any allegations received from outside the organisation, including anonymous letters or telephone calls will be taken seriously and investigated.
- 8.17.4 All cases of theft or suspected theft of Combined Authority property (no matter where the property was kept) must be promptly reported to the Chief Finance Officer.
- 8.17.5 The Chief Finance Officer or Internal auditor shall be responsible for ensuring that the Combined Authority and the External Auditors are advised of any material loss or financial irregularity.
- 8.17.6 Internal Audit shall report to the Head of Paid Service, Monitoring Officer and the Chief Finance Officer.

## 8.18 Treasury Management

- 8.18.1 The Combined Authority has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. All investments of money will be made in the name of the Cambridgeshire and Peterborough Combined Authority.
- 8.18.2 The Treasury Management Strategy, prepared in accordance with the above code, will be adopted by the Combined Authority and thereafter its implementation and monitoring shall be delegated to the Chief Finance Officer.
- 8.18.3 The Chief Finance Officer will undertake any borrowings necessary for treasury management purposes in accordance with the Treasury Management Strategy.
- 8.18.4 All transfers from the Combined Authority's bank account shall be undertaken by authorised Officers nominated by the Chief Finance Officer according to Treasury Management procedures and authorisations.
- 8.18.5 The Chief Finance Officer will as a minimum report to the Audit and Governance Committee of the Combined Authority:
- (a) be the end of February - a report on the strategy for the forthcoming year;
  - (b) by the end of June - an outturn report on Treasury

Management activity;

- (c) by the end December of each year a half year monitoring report on Treasury Management activities;
- (d) by the end of December a monitoring report on external investments performance.

8.18.6 The Chief Finance Officer shall be responsible for ensuring that surplus funds are invested promptly, safely and effectively and in accordance with Treasury Management procedures.

### 8.19 Security of Assets

8.19.1 Officers shall be responsible for the proper security of all of the Combined Authority's assets within their control. The Officer shall consult the Chief Finance Officer regarding changes in matters regarding security.

8.19.2 Assets shall not be removed from the Authority's premises, unless on official Authority business and should not be used other than for official Authority purposes or in line with arrangements sanctioned by the Head of Paid Service. All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner and be appropriately protected at all times.

8.19.3 Each Chief Officer must ensure that the Authority's financial system, is used appropriately by all employees within their area of responsibility.

### 8.20 Financial Systems and Procedures: Effective Management

8.20.1 The systems and processes operated by the Combined Authority must be managed effectively to:

- (a) provide customers and stakeholders with the best quality of service;
- (b) ensure that net expenditure in their area of expenditure does not exceed the annual budget;
- (c) comply with all relevant professional, managerial, legal and ethical standards;
- (d) comply with the Combined Authority's procedures, regulations, standing orders, scheme of delegation and other relevant guidance and instructions issued.

8.20.2 Each Officer must ensure that there are adequate, appropriate and clear reporting lines in operation within their area of responsibility.

## 8.21 Financial Systems and Procedures: Control of Expenditure - Generals

8.21.1 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities and in accordance with [Chapter 9 – Procurement and Contract Procedure Rules](#). The Chief Finance Officer will maintain a record of all delegated authorities.

8.21.2 Detailed procedures for the authorisation and control of expenditure will be issued, from time to time, by the Chief Finance Officer in accordance with delegated authority levels.

## 8.22 Financial Systems and Procedures: Income Collection and Banking Arrangements

8.22.1 The Chief Finance Officer is responsible for the banking arrangements and is authorised to set up and operate such bank accounts as are considered appropriate. The banking arrangements must be reviewed on a regular basis and negotiations regarding banking terms and overdraft facilities undertaken.

8.22.2 Arrangements for the authorisation of payments to be made by electronic transfer of funds from bank accounts must be in accordance with laid down processes and procedures.

8.22.3 Each relevant Officer must ensure that all systems and procedures relating to income and banking, comply with Accounts and Audit Regulations 2015 and the Combined Authority's authorised procedures.

8.22.4 Particulars of charges to be made for work done, services rendered or goods supplied and of all other amounts must be promptly notified to the Chief Finance Officer. Any proposed introduction of, or variation to, charges must be in accordance with the agreed Scheme of Delegation.

8.22.5 All accounts for income due to the Combined Authority must be sent out by the Chief Finance Officer, except where other arrangements have been authorised.

8.22.6 All Officers must supply information as the Chief Finance Officer may require to ensure that all sums receivable by the Combined Authority are promptly recorded, and recovery sought.

8.22.7 The Authority's banking arrangements shall be those approved by the Authority from time to time and shall be supervised by the Chief Finance

Officer.

8.22.8 Electronic payments are to be authorised by the Chief Finance Officer or authorised Officers.

### 8.23 Financial Systems and Procedures: Debt Management

8.23.1 The Chief Finance Officer will have authority to recover debts, except in the case of legal action which should be undertaken in consultation with the Monitoring Officer.

8.23.2 Before any debts due to or any other assets of the Combined Authority are written-off or other income is foregone the following authority shall be obtained as appropriate;

- (i) Exceeding £125,000 the Board
- (ii) Between £10,001 and £125,000 The Head of Paid Service and the Chief Finance Officer
- (iii) £10,000 or less Chief Finance Officer

8.23.3 Any individual who discovers any apparent loss or irregularity involving money due to or held on behalf of or property owned by the Authority shall immediately notify their line manager and Internal Audit. Internal Audit will then comply with the provisions of the Authority's approved Fraud Policy.

### 8.24 Financial Systems and Procedures: Purchase Orders

8.24.1 Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.

8.24.2 From time to time, expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.

8.24.3 Invoices and grant claims without a purchase order will not be processed by default where exceptions to this are required these will have to be approved/requested by a Director

8.24.4 Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the [Chapter 18 - Officer Scheme of Delegation](#) have been obtained.

### 8.25 Financial Systems and Procedures: Payment of Accounts

*Suppliers*

8.25.1 No supplier payment shall be made unless supported by an invoice or pro-forma invoice, with VAT details, where appropriate.

8.25.2 Officers must ensure that all invoices for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate purchase order number is quoted on every invoice.

8.25.3 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.

8.25.4 In order for an invoice to be paid, the responsible Budget Holder must confirm that the work, goods or services have been properly delivered in accordance with the order.

8.25.5 The receipt of all goods and services should only be made where:

- (a) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;
- (b) the goods and services have been previously receipted.

8.25.6 The certification of Goods Received acts as the authorisation to pay the invoices as long as the invoice matches the Goods Received entry and purchase order.

8.25.7 Where an invoice is exempt from the ordering process, the invoice will be subject to electronic approval by following appropriate rules of delegation.

#### *Grants*

8.25.8 No grant payment shall be made unless supported by a grant claim.

8.25.9 Officers must ensure that all grants for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate purchase order number is quoted on each grant claim.

8.25.10 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.

8.25.11 In order for an invoice to be paid, the responsible grant approver must confirm that the work, goods or services have been properly delivered in accordance with the order.

8.25.12 The receipt of all goods and services should only be made where:



(c) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;

(d) the goods and services have been previously receipted.

8.25.13 The certification of Goods Received acts as the authorisation to pay the grant claim as long as the claim matches the Goods Received entry and purchase order.

8.25.14 Where a grant claim is exempt from the ordering process, the claim will be subject to electronic approval by following appropriate rules of delegation.

## 8.26 Government Procurement Cards

8.26.1 Purchasing cards should only be used for official Combined Authority business and

- (i) Where it is time critical and normal ordering through the financial systems would not be responsive enough or
- (ii) where not feasible to order goods and services through the Authority's financial system.

8.26.2 It is the cardholder's responsibility to ensure that the purchasing card process guidance is followed. The purchasing card facility may be suspended or withdrawn permanently if the procedure is not followed.

## 8.27 Financial Systems and Procedures: Allocation of Funding to Projects

8.27.1 The allocation of funding to projects shall be done in accordance with the processes as outlined in the local Assurance Framework.

## 8.28 Financial Systems and Procedures: Payments to Employees

8.28.1 The payment of all salaries, wages, pensions, compensation and all other emoluments to Officers or former Officers of the Combined Authority will be made by the Chief Finance Officer or under arrangements approved by the Chief Finance Officer.

8.28.2 Electronic time sheets and other documents to authorise the payment of wages and salaries must be certified by the appropriate Budget Holder (or nominee) within such period before the respective pay days, as may be required. The Chief Finance Officer shall make such checks on pay documents as are considered necessary.

8.28.3 All standing information relating to payroll data, such as rates of pay, statutory and non-statutory deductions, allowances, starters and leavers from any of the Combined Authority's payrolls, shall be notified through approved processes by the HR manager to the payroll provider.

8.28.4 The detailed procedures to be followed at Combined Authority establishments for the control of overtime working and payment of wages and salaries are set out in formal procedures.

8.28.5 All payroll documentation must be filed for the period in accordance with required deadlines and no documentation relating to Officers records or to wages and salaries' payrolls should be destroyed without prior consultation with the Chief Finance Officer.

## 8.29 Financial Systems and Procedures: Taxation

8.29.1 The Chief Finance Officer is responsible for:

- (a) ensuring that taxation advice is available to Officers to ensure compliance with relevant legislation;
- (b) maintaining the Combined Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
- (c) completing all HM Revenue and Customs returns regarding Pay As You Earn;
- (d) completing and submitting VAT returns to HMRC as necessary.

8.29.2 Officers are responsible for:

- (a) ensuring the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all tax is properly identified and recorded;
- (b) ensuring that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
- (c) following any guidance on taxation that may be issued by the Chief Finance Officer.

## 8.30 Financial Systems and Procedures: Expenses

8.30.1 All claims for payments of Officers' subsistence allowances, travelling and incidental expenses must be certified by the appropriate Budget Holder and be within delegation levels. Certification means that the certifying Officer is satisfied that the journeys were authorised, the mileage correct, the expenses properly and necessarily incurred and that the mileage and other allowances are properly payable in accordance with the specific conditions of employment of the Combined Authority.

### 8.31 Financial Systems and Procedures: Travel and Subsistence

8.31.1 Claims, by the Mayor or independent members of the Combined Authority must be in line with the approved Member Allowance scheme and Officers claims for travel and subsistence must be in line with the approved policy.

8.31.2 All claims should be submitted monthly.

### 8.32 External Arrangements: Partnerships

8.32.1 The Combined Authority is responsible for approving partnership agreements where funding is to be provided by a third party.

8.32.2 The budget holder must present to the Combined Authority sufficient information before a decision is reached about entering a partnership agreement. This should include:

- (i) the aims and objectives of the partnership;
- (ii) a scheme appraisal for financial viability of the project;
- (iii) risk appraisal;
- (iv) resources required, both financial and staffing;
- (v) audit and control requirements.

### 8.33 External Arrangements: External Funding

8.33.1 Before any external funding bid is made, the responsible budget holder shall consult with the Chief Finance Officer to ensure all aspects of funding have been properly considered before submission for approval.

8.33.2 The budget holder shall supply copies of all relevant paperwork to the Chief Finance Officer, including the bid submission, the offer letter and acceptance and any instructions for the completion of the grant.

8.33.3 The Chief Finance Officer is responsible for ensuring that all external funding notified by external bodies is received and properly recorded and monitored in the Combined Authority's Accounts.

8.33.4 It is the responsibility of the budget holder to ensure that the project



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progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded. They must also ensure that all claims are prepared by the due date, making allowances for audit requirements where applicable.