

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

## FINANCIAL REGULATIONS

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## FINANCIAL REGULATIONS

### 1. Application

- 1.1. These financial regulations shall apply at all times and must be adhered to by all employees of the Authority and external agencies acting on behalf of the Authority unless specifically exempted by the terms of the contract entered into between those agents and the Authority.

- 1.2. The Chief Financial Officer is designated under Section 151 of the Local Government Act 1972 as the officer who is responsible for the proper administration of the financial affairs of the Authority and shall make suitable arrangements to ensure that these financial regulations are made known to all employees.

## **2. Relationship with Executive/Leeds City Council**

- 2.1. The Executive and Leeds City Council both have their own Financial Regulations. The Authority makes use of the Executive's financial systems for payments and Leeds City Council for borrowing and investments and the operation of the cash book. All Officers shall follow the requirements of those bodies, in relation to the above transactions, as determined by them from time to time.

## **3. Sealing of Documents & Legal Proceedings**

- 3.1. The Common Seal of the Authority shall be kept in a safe place and the keys thereof shall be in the custody of the Clerk or some other Officer authorised by the Clerk.
- 3.2. A resolution of the Authority authorising the taking of any action shall be sufficient authority for the sealing of any document necessary to give effect to such resolution.
- 3.3. The sealing of a document shall be entered and consecutively numbered in a Register kept for that purpose in the custody of the Clerk.
- 3.4. The Clerk shall be authorised to sign all documents and in his absence the Deputy Clerk or Chief Financial Officer shall be authorised to sign any such documents.
- 3.5. Where any document will be a necessary step in any legal procedure or proceedings on behalf of the Authority it shall be signed by the Chair or the Clerk, unless any enactment otherwise requires or authorises, or the Authority gives the necessary authority to some other person for the purposes of such procedure or proceedings.
- 3.6. The Chair or the Clerk are authorised to institute or defend any legal proceedings in any case where this is required to give effect to a decision of the Authority or any committee or sub-committee thereof with delegated authority to take decisions in the name of the Authority or in any case where the Chair or the Clerk consider that this is required to protect the interests of the Authority.
- 3.7. The powers of the Chair and the Clerk under this Standing Order shall include the power to negotiate the settlement of legal proceedings subject to any action being reported to the Authority or the ITA Executive Board in accordance with these Financial Regulations.

#### **4. Amendments to Financial Regulations**

- 4.1. Any amendment to add to, vary or revoke these regulations shall only be permissible at a quorate meeting of the full Authority or by a quorate meeting of a Committee which has been formally delegated to do so by the Authority.
- 4.2. These regulations may not be suspended
  - 4.2.1. by any Member or Officer, so far as regards any particular item of business is concerned,
  - 4.2.2. except where, on any particular item, a motion to suspend a particular regulation is recorded in the minutes of the Authority specifying the suspension concerned.

#### **5. General Interpretation**

- 5.1. In this and the succeeding parts of the Financial Regulations (FRs):-

“**Authority**” means the West Yorkshire Integrated Transport Authority.

“**Clerk**” means the Clerk to the Authority

“**Officer**” means an officer of the Authority unless otherwise specified

“**CFO**” means the “Chief Financial Officer” of the Authority

“**Executive**” means the West Yorkshire Passenger Transport Executive.

“**DG**” means the Director General of the Executive

#### **6. Budgeting**

- 6.1 The CFO and the Clerk shall prepare a financial strategy comprising a forecast of expenditure and income for discussion with District Councils in relation to future Levies and report such discussions to the Authority.
- 6.2 The CFO shall ensure that a revenue budget is prepared on an annual basis for consideration at a meeting of the Authority before 15 February prior to the start of the financial year. At that meeting determination shall be made of the level of the Levy for the following year.
- 6.3 The Authority shall approve revenue budgets for the Authority and Executive and determine the arrangements for the controls to be applied for the following year. All actions of the Executive shall be within the policies and budget laid down by the Authority.
- 6.4 The CFO shall monitor the Authority’s expenditure and controls in relation to its budget and report any significant variations to the Audit and Governance Committee and together with any recommendation of that committee to a subsequent meeting of the Authority or of the ITA Executive Board (whichever occurs soonest).

## 7. Capital Expenditure

- 7.1 The CFO shall present to the Joint Authority a capital programme for the current and future year with the annual budget report.
- 7.2 No capital expenditure shall be incurred without first being approved by the ITA Executive Board, except up to a maximum of £100,000 on feasibility studies or advance design work required for a scheme that appears within the approved capital programme. All expenditure on schemes shall be the subject of a report to the ITA Executive Board setting out the nature and justification for the scheme plus the anticipated capital costs and revenue consequences.
- 7.3 Expenditure on a capital scheme which is in excess of the approval granted by the Authority may only be incurred up to a limit of £100,000 or 10%, whichever is the less (provided such excess exceeds £10,000), without a further report to the Authority or the ITA Executive Board. All capital expenditure incurred during the financial year shall be reported to the Authority by the CFO/DG in an annual report to coincide with the annual accounts.
- 7.4 All funding arrangements shall be undertaken by the CFO in accordance with any decisions or delegations made by the Authority or the ITA Executive Board. The CFO shall include a full statement of the funding arrangements actually applied in the annual final accounts approved by the Audit and Governance Committee and reported to the Authority.

## 8. Accounting Arrangements

- 8.1 The CFO shall, not later than the date specified in government regulations, prepare and submit to the Authority the annual statement of accounts for the year ending on the preceding 31 March; such statements of accounts being in a form prescribed by the CFO in compliance with the Accounts and Audit Regulations currently applicable.
- 8.2 The CFO shall, from time to time when they deem it necessary, issue instructions, which must be followed by all Officers, in relation to:-
- 8.2.1 **Assets.** The systems and procedures to be used in the recording, and the valuation of, all stocks and items of furniture, equipment, plant, vehicles and properties etc. held by, or under the control of, any Officer of the Authority. All such assets shall be the responsibility of the appropriate officer who shall take all necessary steps to ensure their safe custody.
- 8.2.2 **Income.** Safe and efficient arrangements for the receipt and recording of all monies payable to the Authority.

8.2.3 **Payments.** The checking and certification of all invoices, vouchers, contract certificates, wages and salary records, members allowances and all other documents appertaining to the disbursement of monies by the Authority, through the Executive or Leeds City Council.

8.2.4 **Petty cash.** The amount and rules under which any petty cash advance may be operated and reimbursed.

8.2.5 **Financial Information.** The prompt furnishing of any information required for financial reports and appraisals on any matters howsoever arising affecting the Authority.

## **9. Disposal of Property**

9.1 No asset of the Authority shall be disposed of without the prior approval of the CFO or if applicable, the Authority's Property Management Policy in respect of interests in land.

9.2 All property found upon Authority premises shall be dealt with by the Executive under the Executive's Financial Regulations.

## **10. Contracts for the supply of goods and services**

10.1 The Executive has procedures in relation to the supply of all works, goods and services. Those procedures shall apply to the Authority as follows:

10.1.1. In relation to amounts below category C (minimum currently £25,000) the appropriate procedures shall be determined by the Clerk to the Authority as required.

10.1.2. In relation to amounts covered by category C or above the Executive's procedures shall apply.

10.1.3. All references to the Executive Board shall be construed as references to the Authority.

## **11. Banking and Treasury Management**

11.1 The CFO shall make suitable arrangements regarding the opening and operation of all bank accounts of the Authority.

11.2 The CFO shall prepare a Treasury Management policy for adoption by the Authority and present reports, at least annually, to the Authority on its performance.

## **12. Audit and Risk Management**

12.1 The Authority has statutory responsibilities and will not tolerate fraud or

corruption in the administration of its affairs. The CFO will therefore ensure arrangements are made to cover:

- 12.1.1. **Risk Management.** Risk management is the planned and systematic approach to the identification, evaluation and control of risk. All such matters relating to the Authority as well as the Executive will form part of the consideration of the Executive's internal Risk Management Group and will be reported to the Audit and Governance Committee.
- 12.1.2. **Fraud and corruption.** All Members and Officers shall follow the appropriate codes of conduct as adopted by the Authority in relation to declarations of interests, gifts and hospitality, and general business practices as well as following the staffing policies developed by the Executive and adopted by the Authority.
- 12.1.3. **Insurance.** The CFO shall determine insurance requirements and implement them through combined Authority/Executive policy(ies).
- 12.1.4. **Internal audit.** There are currently no directly employed internal audit staff thus the Executive's internal audit section shall assume responsibility for providing internal auditing services to the Authority and shall have unrestricted access to the Authority's staff, records and systems. Audit work programmes and results from internal audits performed shall be reported to the CFO and the Audit and Governance Committee.
- 12.1.5. **External audit.** External audit shall be carried out by an auditor appointed by the Audit Commission who will report annually, or more often if deemed necessary, to the Authority.

### 13. Interpretation

- 13.1 Any ambiguity which arises from the interpretation of these regulations shall be settled by the Clerk to the Authority.

**Updated: September 2010**

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