

QUICK REFERENCE GUIDE – CONTROL OF EXPENDITURE

The Councils expenditure on goods and services is controlled in accordance with Financial Procedure Rules D6-D18. This guide is intended as a quick reference to help officers understand and adhere to these rules.

• Issue of Orders

- Orders shall not be issued unless the expenditure is included within an approved estimate or other specified financial provision.
- Orders shall be in writing, signed by an authorised signatory and be as comprehensive as possible with the point of delivery, supplier details, order quantities, agreed prices and discounts being shown.
- Official orders shall be issued for all work, goods and services except for supplies of public utility, periodic payments (rent/rates) and petty cash purchases.
- Each order shall conform to the directions of the Council with respect to central purchasing, use of contracts and the standardisation of supplies and materials and be in a form approved by the Head of Finance.
- A copy of the order shall be retained by the ordering department for six years.

• Receiving of Goods

- The receipting officer must check the quantity and quality of the goods and record on the delivery notes any anomalies at the time of delivery.
- Where goods are ordered and delivered by weight or volume the receiving officer shall make periodical tests as are necessary to ensure that the quantities charged have actually been delivered.
- All certified delivery notes and weight tickets should be forwarded to the person responsible for receiving and checking invoices.

• Certification of Accounts for Payment

North West Leicestershire District Council										
Goods Received	Expenditure Code						VAT			
	Main	Detail	Cost	£	P	CR	£	P	Code	
Work done	:	:	:							
Order GRN checked	:	:	:							
Quotation/contract checked	:	:	:							
Prices/discount arithmetic	:	:	:							
Budget Provision	:	:	:							
	:	:	:							
	:	:	:							
Certified	Totals									
Creditor Code				Invoice Reference						
For Treasurer's department use only				Order no	GRN	Separate Cheque Indicator			Cheque number	

- o Goods Received/Work Done – the coding grid is initialled to verify that goods have been received or the work has been executed. The grid should be initialled by the person who received the goods or a person who has a copy of a signed Goods Received Note signed by the person who actually received the goods or the person who witnessed the provision of the service.
- o Order/GRN Checked – the coding grid is initialled to verify that the expenditure is in accordance with the order and the goods received note. The order number should be written on the coding slip and the office copy of the order should be marked with the date of passing the invoice for payment and the amount to act as a safeguard against duplicate payments.
- o Quotations/Contracts Checked – the coding grid is initialled to verify the price agrees with the quotation, tender or contract.
- o Prices/Discount/Arithmetic - the coding grid is initialled to verify that any discounts or allowances have been claimed and that the arithmetic is accurate.
- o Budget Provision – the coding grid is initialled to verify that the expenditure confirms with the budget provision.
- o Expenditure Code/VAT – The expenditure/income should be coded in accordance with instructions issued by the Head of Finance, with VAT appropriately identified in order that the Head of Finance can recover output tax (VAT). A VAT invoice/receipt must be obtained in all appropriate cases.
- o Certified – the coding grid is initialled by an authorised officer to approve the invoice for payment. The passing of an account by an authorised officer confirms that he/she is satisfied that all the necessary steps in the certification process have been satisfactorily carried out and that the expenditure is within the Authority's legal powers. It is the authorising officers responsibility to recognise the initials of the officers carrying out the preliminary certification procedure as those officers who are in a position to satisfactorily perform the work responsibly.
- o It is essential that a minimum of two officers are involved in the preliminary certification procedure to ensure that the officer certifying the goods have been supplied or the work done is different from the officer certifying the remaining items.
- o The making of official orders and the entering of goods received records should be undertaken by different officers and this should be divorced from certification of invoices although it is appreciated that this is not always possible in smaller services.
- o Any boxes in the preliminary certification procedure that are not applicable should be marked N/A.
- o Duly certified accounts should be forwarded to the Finance Section without delay to enable the BVPI to be met.
- o Invoices made out by the officer of the ordering service and statements unaccompanied by the relative invoice and delivery notes, copy invoices or reminders shall not be accepted as a basis for payment.
- o In all cases of purchase of property, the Head of Finance shall be the authorising officer.
- o Each Service Manager shall as soon as possible after the 31st March and no later than the 30th April in each year, notify the Head of Finance of outstanding expenditure relating to the previous financial year.

IF IN DOUBT OF ANY OF THE RULES GOVERNING THE CONTROL OF EXPENDITURE OR AUTHORISATION LIMITS FOR ORDERS/INVOICES PLEASE CONTACT INTERNAL AUDIT