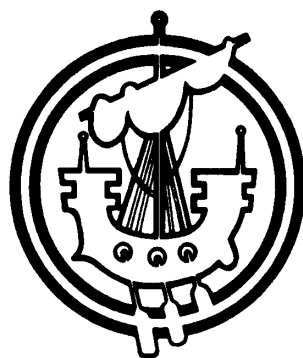


# **COMHAIRLE NAN EILEAN SIAR**



## **FINANCIAL REGULATIONS**

Approved: March 2019  
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## FINANCIAL REGULATIONS

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## SECTION 1 - OVERVIEW

### 1. Scope and Requirements

- 1.1 Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities in Scotland to have adequate systems and controls in place to ensure the proper administration of their financial affairs, including the appointment of an appropriate officer (“the Proper Officer”) with full responsibility for their governance.

For these purposes the “Proper Officer” is the Director for Assets, Finance and Resources.

The Local Authority Accounts (Scotland) Regulations 2014 places upon the Proper Officer the duty to determine the system of accounting control and the form of accounts and supporting records, and the responsibility to produce annual accounts.

In addition, the Local Government (Scotland) Act 2003 requires Local Authorities to make arrangements which secure ‘best value’ in the use of their resources. In securing ‘best value’ “the local authority shall maintain an appropriate balance among:

- (a) the quality of its performance functions;
- (b) the cost to the authority of that performance; and
- (c) the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis”.

“In maintaining that balance, the local authority shall have regard to efficiency, effectiveness, economy and the need to meet the equal opportunities requirements”

- 1.2 The Comhairle, its Members and Officials shall observe these Regulations and supporting Guidance Notes.
- 1.3 Any contravention of or potential non-compliance with these Regulations will be reported immediately to the Director for Assets, Finance and Resources, who may discuss the matter with the Chief Executive and any other Director/Head of Service as appropriate, to determine any action to be taken.
- 1.4 These Regulations will be applied and interpreted in a manner that takes account of the obligations contained within the Comhairle’s Contract Regulations, Standing Orders and the Scheme of Delegation.
- 1.5 Any officer acting within the terms of a Joint Board or Partnership should refer to any Guidance Notes relevant to that Board/Partnership, in addition to these Regulations.

### 2. Responsibilities

#### 2.1 Comhairle/Committees

- 2.1.1 The Comhairle, through its Committees, will continuously strive to secure best value for money by way of economic, efficient and effective use of resources.
- 2.1.2 Subject to the reserved powers of the Comhairle, the Comhairle’s Policy and Resources Committee will be responsible for overseeing the Comhairle’s financial management arrangements.
- 2.1.3 The Director for Assets, Finance and Resources, in consultation with the Chief Executive and other Directors/Heads of Service as appropriate, will advise the Comhairle and all other Strategic Committees on the financial implications of the Policy and Resources Committee’s activities.

## 2.2 *Director for Assets, Finance and Resources*

- 2.2.1 These Financial Regulations detail the responsibilities of the Director for Assets, Finance and Resources who has been appointed as the “Proper Officer”, of the Comhairle, in terms of Section 95 of the Local Government (Scotland) Act 1973.
- 2.2.2 Any reference in these Regulations to the Director for Assets, Finance and Resources includes those specifically authorised by him to undertake the various functions concerned.

## 2.3 *Directors/Heads of Service*

- 2.3.1 Directors/Heads of Service will ensure that all relevant employees are aware of these Regulations and that they are fully complied with.
- 2.3.2 All actions affecting the Comhairle’s finances should only be conducted by properly authorised employees. In respect of delegated activity, Directors/Heads of Service will establish a clear and effective framework of authorisation for their Services.
- 2.3.3 Directors/Heads of Service and other authorised persons will ensure that only expenditure within the legal powers of the Comhairle is incurred. Where this is not clear, the authorised person will consult the Director for Assets, Finance and Resources and/or Monitoring Officer prior to incurring such expenditure. Similarly, the legality of expenditure relating to new service developments, initial contributions to other organisations and responses to new emergency situations will also be clarified prior to any related expenditure being incurred.
- 2.3.4 Directors/Heads of Service will ensure that all spending within capital and revenue conforms to proper accounting standards and will seek clarification of the proper classification, if required, from the Director for Assets, Finance and Resources.
- 2.3.5 In the case of emergency situations the Chief Executive has delegated powers to authorise any necessary expenditure. In terms of these Regulations, the Director for Assets, Finance and Resources should report such expenditure to the first available meeting of the Policy and Resources Committee.

## 2.4 *Personal Responsibilities*

- 2.4.1 All elected Members and employees of the Comhairle are responsible for ensuring that they use the equipment, materials and resources entrusted to them in a responsible and lawful manner. They should familiarise themselves with requirements under these Regulations and other similar policies. If anyone is in any doubt as to their obligations, they should seek advice from their line manager. Any unresolved questions of interpretation will be referred to the Monitoring Officer and/or the Section 95 Officer.
- 2.4.2 All elected Members and employees of the Comhairle should strive to achieve best value for money and avoid legal challenge to the Comhairle. These responsibilities similarly apply when members or employees are representing the Comhairle on external bodies and joint ventures.
- 2.4.3 In the course of their duties Members and Officers will see financial and other materials of a confidential nature. There is a general responsibility that all such matters are not disclosed except to authorised personnel.
- 2.4.4 Members and Officers who serve in a decision-making capacity as members of outside bodies, whether Companies, Trusts or other Associations owe duties and responsibilities to those bodies which are separate and distinct from their duties owed to the Comhairle. On occasions, it is likely that their duties owed to the outside body and to the Comhairle will conflict. In the event of doubt, Members and Officers should consult the Comhairle’s Monitoring Officer.

2.4.5 All employees must report in the first instance to their line Manager any illegality, impropriety, breach of procedure or serious deficiency in the provision of service. Employees are able to do this without fear of recrimination providing they act in good faith via the Comhairle's policy on Reporting Concerns at Work.

### **3. Corporate Governance**

3.1 Corporate Governance is concerned with the structures and processes for decision making and accountability, controls and behaviour throughout the Comhairle. The fundamental principles of corporate governance are:

**Openness:** Anyone with an interest in the Comhairle's affairs should have confidence in the decision-making and management processes and the individuals involved in them. This confidence is gained through openness in the Comhairle's affairs and by providing full, accurate and clear information that leads to effective and timely action and scrutiny.

**Integrity:** There should be honesty, selflessness and objectivity and high standards of propriety and probity in the stewardship of the Comhairle's funds and the management of the Comhairle's affairs. Integrity is dependent on the effectiveness of the control framework and on the personal standards and professionalism of Members and employees.

**Accountability:** There needs to be a clear understanding by everyone involved in the Comhairle's affairs of their roles and responsibilities. There should also be a process which provides appropriate external scrutiny of the decisions and actions of those involved in the Comhairle's affairs including the stewardship of the Comhairle's funds and performance.

These Financial Regulations supported by Guidance Notes are an essential component of Corporate Governance.

However, in order to demonstrate that they are complying with these fundamental principles the Comhairle will need to ensure that their systems and processes are:

- monitored for their effectiveness in practice; and
- subject to review on a continuous basis to ensure that they are current.

3.2 In order to ensure compliance with good governance the Chief Executive is responsible for reviewing the Comhairle's arrangements on an annual basis as detailed in the 'Local Code of Corporate Governance'.

3.3 The Chief Internal Auditor will each year provide the Comhairle's Audit and Scrutiny Committee with an opinion as to the adequacy and effectiveness of the system of internal control and an Operational Audit Plan for the year ahead in accordance with the Comhairle's approved Strategic Audit Plan.

### **4. Framework for Financial Administration**

4.1 These Regulations detail the responsibilities of Members and Directors/Heads of Service within the context of the Comhairle's political management framework. Amendments to these Regulations will be made by the Comhairle, following consideration by the Audit and Scrutiny Committee.

4.2 The Director for Assets, Finance and Resources as the officer responsible for the proper administration of the Comhairle's financial affairs will oversee the operation of these Regulations within the Comhairle. These, together with supporting Guidance Notes, provide all Members, Directors/Heads of Service and Employees with the written framework that governs the Comhairle's financial affairs.

4.3 As with most instructions these Regulations and supporting Guidance Notes are not exhaustive and supplementary guidance will be made available by way of manuals, procedures and policy documents. However, not every eventuality can be foreseen or every circumstance taken into account. As such there is a general responsibility for all Officers to act properly where instances of uncertainty arise and to seek advice from the Director for Assets, Finance and Resources.

## **5. Review of Financial Regulations**

5.1 These Regulations will be reviewed every two years.

## **6. Legal Interpretation**

6.1 Any matters requiring legal interpretation will be referred to the Monitoring Officer for determination.

## SECTION 2 – DETAILED FINANCIAL REGULATIONS

### General Issues

- 1 Directors/Heads of Service shall immediately inform the Director for Assets, Finance and Resources of any matter that could materially affect the finances of the Comhairle before any commitment is incurred or before reporting thereon to Comhairle, Committee or Sub-Committee. This includes, but is not limited to, financial matters arising from any organisation, body or partnership that the Comhairle has a controlling involvement with and may give rise to subsequent financial implications for the Comhairle.
- 2 Subject to the delegated powers of virement, Directors/Heads of Service shall maintain expenditure within the approved budget.

### Accounting

- 3 All accounting procedures and records of the Comhairle shall be determined by the Director for Assets, Finance and Resources and all accounts and accounting records of the Comhairle shall be compiled under his direction.
  - 3 (a) Directors/Heads of Service must provide any information necessary for the closure of the Accounts and within prescribed timescales. Details of the information required and procedures to be followed will be issued annually by the Director for Assets, Finance and Resources; and
  - 3 (b) any matter which is liable to have a material effect on the Comhairle's finances must be discussed with the Director for Assets, Finance and Resources, prior to being placed on any agenda.

### Principles of Internal Control

- 4 The following principles shall be observed in the allocation of accounting duties:
  - 4 (a) the duties of providing information regarding sums due to or from the Comhairle and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them;
  - 4 (b) officers charged with the duty of examining and checking the account of cash transactions shall not themselves be engaged in any of these transactions;
  - 4 (c) when the internal control is performed by way of a computerised system and access rights are password controlled, authorisation must be made in the manner specified for the application, as detailed in the user manual or localised procedures. For the purposes of security, key systems are protected and as such it is absolutely crucial that passwords are not disclosed under any circumstances; and
  - 4 (d) any officer authorising financial transactions accepts responsibility for them by confirming that they are satisfied that they have been incurred.

### Audit

- 5 A continuous Internal Audit, under the independent control and direction of the Director for Assets, Finance and Resources (except where circumstances make that inappropriate in which case the reporting line will be to the Chief Executive), shall be arranged to carry out an examination of accounting, financial and other operations of the Comhairle.

- 6 The Internal Auditors shall have authority to:-
- (a) enter at all reasonable times onto any Comhairle premises or land;
  - (b) inspect all records, documents and correspondence (both manual and electronic) relating to any matter under examination, including financial and related transactions of the Comhairle;
  - (c) seek such explanations as are necessary from any Officer or Member concerning any matter under investigation; and
  - (d) require that any employee of the Comhairle produce cash, stores or any other Comhairle property under his/her control which is relevant to any investigation being conducted.

7 Whenever any matter arises which is thought to involve irregularity concerning cash, stores or other property of the Comhairle or any suspected irregularity in the exercise of the functions of the Comhairle, the Director/Head of Service concerned or any employee having knowledge thereof, shall notify the Director for Assets, Finance and Resources, who shall take the steps considered necessary by way of investigation and shall forthwith notify the Chief Executive and the Monitoring Officer.

8 The Comhairle's External Auditors will have the right to demand access to all records (manual or electronic), documents and correspondence relating to financial or other transaction of the Comhairle and receive explanation as necessary, concerning any matter under examination.

### **Banking Arrangements**

9 All arrangements with the Comhairle's Bankers shall be made by the Director for Assets, Finance and Resources who shall operate such banking accounts as he may consider necessary.

10 Cheques on the Comhairle's bank accounts shall bear the facsimile signature of the Director for Assets, Finance and Resources. Any cheque for a sum in excess of £50,000 must bear the manuscript signature of the Director for Assets, Finance and Resources or other Officer authorised to do so.

11 All bank accounts operated by Comhairle employees in respect of funds for schools and social work establishments must be approved by the Director for Assets, Finance and Resources and shall be registered by the Director for Assets, Finance and Resources in the name of the Comhairle and the title of the accounts shall include the name of the relevant establishment and the purpose of the fund. Such accounts shall require at least two Comhairle employee signatories for withdrawals.

12 All such Bank Accounts described under Regulation 11 shall be registered by the Director for Assets, Finance and Resources in a register he shall maintain for that purpose.

13 Comhairle employees operating such Bank Accounts described under Regulation 11 shall ensure that proper records are maintained for such funds and accounts as required by the Director for Assets, Finance and Resources

14 The Director for Assets, Finance and Resources and the relevant Director/Head of Service has the right of access to the records of these funds and account at all reasonable times.

### **Treasury Management (Borrowing and Investment)**

15 All money held by the Comhairle shall be under the control of the Director for Assets, Finance and Resources as the officer designated under Section 95 of the Local Government (Scotland) Act 1973.

16 All executive decisions on borrowing, investment or finance shall be delegated to the Director for Assets, Finance and Resources who shall be required to act in accordance with the CiPFA Treasury Management in Public Services – Code of Practice. In addition, the Director for Assets, Finance and Resources may appoint advisers for assistance and guidance on Treasury Management activities.

17 A Treasury Management Policy Statement setting out the how the Comhairle seek to comply with matters detailed in the Code shall be adopted annually by the Comhairle. Thereafter the implementation and monitoring of the policy shall, subject to the detailed specific requirements of the Constitutional Documents, be delegated to the Director for Assets, Finance and Resources.



- 18 The Comhairle will receive reports on its Treasury Management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its treasury management policy statement. In addition, a half yearly report on Treasury Management activities will be reported to the Comhairle's Policy and Resources Committee.
- 19 Should the Director for Assets, Finance and Resources wish to depart in any material respect from the main principles of the Code, the reasons should be disclosed in a Report to the Comhairle.
- 20 All investments of money under its control shall be made by the Director for Assets, Finance and Resources in the name of the Comhairle or in the name of nominees approved by the Comhairle. Bearer securities shall be excluded from this regulation but any purchase of such securities shall be reported to the Policy and Resources Committee.
- 21 All Trust Funds shall, wherever possible, be in the name of the Comhairle.
- 22 All Officers acting as Trustees by virtue of their official position shall deposit all securities etc. relating to the Trust with the Director for Assets, Finance and Resources unless the Deed otherwise provides.
- 23 The Director for Assets, Finance and Resources shall ensure the proper and safe custody and control of all Charitable Funds held by the Comhairle and shall ensure that all expenditure and accounting is where appropriate, in accordance with the requirements of the Office of the Scottish Charity Regulator, and any conditions placed on the funds through Trust Deeds etc.

#### **Budget and Budgetary Control**

- 24 The detailed form of the Capital Programme and Revenue Budget shall be determined by the Director for Assets, Finance and Resources.
- 25 It shall be the duty of the Director for Assets, Finance and Resources in consultation with Directors/Heads of Service to prepare, for the approval of the Comhairle, the Annual Budget of Income and Expenditure on Revenue and Capital and for this purpose Directors/Heads of Service shall provide the Director for Assets, Finance and Resources with all necessary information regarding the requirements of their Departments.
- 26 Any proposal from a Director/Head of Service to a Committee or Sub-Committee which would involve the incurring of expenditure, whether capital or revenue, shall state the sufficiency or otherwise of the approved Budget. Proposals for additional spending must set out where the funding will come from. Such proposals shall not include the use of the annual Contingency, nor the use of balances or reserves, without the matter being considered by the Policy and Resources Committee, based on a report prepared following consultation with the Chief Executive and Director for Assets, Finance and Resources.
- 27 As soon as a Director/Head of Service becomes aware that the amount of any budget may be exceeded or the amount of any income may fall short of that budgeted, it shall be the duty of the Director/Head of Service to inform the Director for Assets, Finance and Resources, and in consultation with the Director for Assets, Finance and Resources, to report to the next meeting of the Committee or Sub-Committee indicating how the expenditure can be brought within budget, except –
  - (i) where the effect of the variance is averted by authorised virement; or
  - (ii) where the variance is below 5% or £25,000, whichever is the higher.

The Committee or Sub-Committee will deal with the report in accordance with Standing Order 63.

- 28 Directors/Heads of Service shall be permitted to carry forward budgets from one year to the next in line with the following guidance:
- 28 (a) revenue under spends of up to 2% of controllable budgets (as defined by the Director for Assets, Finance and Resources) shall be carried forward by the Directors/Heads of Service at the end of the financial year and, subject to the approval of the Comhairle as to how it is spent, be added to the budget of the following year; and
- 28 (b) revenue overspends of up to 1% of controllable budgets (as defined by the Director for Assets, Finance and Resources) shall be carried forward by Directors/Heads of Service in to the next year and be subtracted from the revenue budget. The relevant Director/Head of Service shall, no later than half way through the following financial year, report to the relevant service committee proposals to recover the overspend.
- 29 Directors/Heads of Service shall ensure that a risk register is completed and maintained for all capital projects. For capital projects with a gross capital value expected to exceed £1m and for any projects considered to be complex or high risk the Director/Head of Service must ensure processes are in place to review the risk register on a regular basis.
- 30 In the event that a Director/Head of Service becomes aware, during the course of a project that falls within Regulation 29, that the project is likely to overspend the Director must convene a meeting of the Chief Executive, Director for Assets, Finance and Resources and the Director for Investment Delivery to consider the project and determine the appropriate course of action, including reporting to Committee(s) in terms of financial regulations.
- 31 The Director for Assets, Finance and Resources shall provide Directors/Heads of Service with sufficient information to compare expenditure and income with the approved budget of the Service. It shall be the responsibility of Directors/Heads of Service to provide the Director for Assets, Finance and Resources with such information as may be required for this purpose and to ensure that approved budgets are not overspent and that the expenditure of their Services conforms to the requirements of Standing Orders and Financial Regulations.
- 32 All Prudential Borrowing must be authorised by the Director for Assets, Finance and Resources and approved by the Comhairle following consideration by the Policy and Resources Committee. The revenue source out of which the loan charges associated with Prudential Borrowing will be funded must be identified and agreed by the Comhairle in a report to the Policy and Resources Committee.

#### **Virement**

- 33 The term virement refers to the transfer of budgetary provision from one budget head to another.
- 34 Directors/Heads of Service may, with the prior approval of the Director for Assets, Finance and Resources, vire budgetary provision from one cost code to another cost code within the services for which they are responsible.
- 35 The virement of budgetary provision of any amount over £25,000 must be approved by the Head of Accountancy and Exchequer Services. A weekly report, detailing all virements of £25,000 and over, will be prepared for the Head of Accountancy and Exchequer Services and a copy of the report, evidencing approval, will be retained as evidence of approval of the virements.
- 36 Each virement shall be entered onto the Financial Management System by an authorised user. The virement will, upon production of adequate documentary evidence, be completed on the System by the relevant Service Accountant. All virement authorisations must be approved by either the Head of Accountancy and Exchequer Services or Principal Accountant.
- 37 Except with the approval of the Director for Assets, Finance and Resources there shall be no facility for viring for expenditure in connection with the financing of debt.

## **Annual Accounts**

- 38 The Director for Assets, Finance and Resources shall complete the annual accounts of the Comhairle in accordance with the CiPFA Accounting Code of Practice on Local Authority Accounting (ACOP) and submit the unaudited Accounts to the authority's external auditor and the Controller of Audit no later than 30 June in any year (or any other statutory date specified).
- 39 Directors/Heads of Service shall provide all information requested in the year end accounting instructions issued by the Director for Assets, Finance and Resources and comply with the timetable, in order to ensure that the Accounts can be completed in line with the statutory deadline.
- 40 The unaudited Accounts shall be submitted to the Audit and Scrutiny Committee for review and approval prior to submission to Audit Scotland.
- 41 The audited Accounts together with the Auditor's Report shall be submitted to the Audit and Scrutiny Committee for final approval by 30 September in any year, prior to submission to Audit Scotland.

## **Income**

- 42 It shall be the duty of the Director for Assets, Finance and Resources to make adequate accounting arrangements to ensure the proper recording of all monies due to the Comhairle and for the proper collection, custody and control of all cash in all Services of the Comhairle.
- 43 When work is done, services rendered or goods supplied, details of these and of all other amounts due to the Comhairle shall be promptly notified to the Director for Assets, Finance and Resources in a format approved by him. All accounts for income due to the Comhairle shall be rendered under arrangements approved by the Director for Assets, Finance and Resources.
- 44 The Director for Assets, Finance and Resources shall have the right to inspect any documents or other evidence in this connection as he may consider necessary.
- 45 All receipt forms, books, tickets and similar items shall be in a form approved by the Director for Assets, Finance and Resources. They shall be ordered and supplied to Services by the Director for Assets, Finance and Resources who shall satisfy himself as to the arrangements for their control and safekeeping.
- 46 All monies received on behalf of the Comhairle in any Service shall be deposited as soon as practical with the Comhairle's Bankers in accordance with arrangements made with the Director for Assets, Finance and Resources. No deduction may be made from such money except to the extent that the Director for Assets, Finance and Resources may specifically authorise.
- 47 All transfers of Comhairle money from one member of staff to another will be evidenced in the records of the Departments concerned in a format approved by the Director for Assets, Finance and Resources.

## **Insurance**

- 48 The Director for Assets, Finance and Resources shall arrange all insurance cover and, with the exception of liability claims, shall negotiate all insurance claims in consultation, where appropriate, with the Chief Executive and the relevant Director/Head of Service. All liability claims will be processed through the Legal Services Section of the Chief Executive's department.
- 49 Directors/Heads of Service shall immediately inform the Director for Assets, Finance and Resources of all new risks, properties or vehicles which require to be insured or of any alterations affecting existing insurances in order that appropriate cover arrangements can be put in place.
- 50 Directors/Heads of Service shall immediately inform the Director for Assets, Finance and Resources and the Insurance Officer in writing of any loss, liability or damage or any event likely to lead to a claim.

- 51 No admission of liability, or negotiation of any liability, which may be the subject of a claim to the Comhairle's insurers shall be made or conducted by any Officer; unless expressly authorised by the Comhairle's insurers or under a standing arrangement agreed between the Comhairle and its insurers.
- 52 The Director for Assets, Finance and Resources shall annually, or at such other periods as he may consider necessary, review all insurance cover in consultation with other Directors/Heads of Service.

### **Inventories, Stores and Clothing**

- 53 Inventories shall be maintained by all Departments recording an adequate description of furniture, fittings, equipment, plant and machinery. The extent to which the property of the Comhairle shall be so recorded and the form in which the inventories shall be kept is to be determined by the appropriate Director/Head of Service with the agreement of the Director for Assets, Finance and Resources.
- 54 Directors/Heads of Service shall be responsible for maintaining an annual check of all items on the departmental inventory.
- 55 It shall be the duty of Directors/Heads of Service, in consultation with the Director for Assets, Finance and Resources, to make adequate arrangements for stock and stores control and costing systems in all appropriate Services of the Comhairle.
- 56 The care and custody of stores and equipment in any Service shall be the responsibility of the Director/Head of Service who will ensure that stocktaking is carried out at regular intervals, all as agreed with the Director for Assets, Finance and Resources.
- 57 No adjustments shall be made to write off obsolete stock in excess of £10,000 unless authorised by the Comhairle in a report by the Director/Head of Service and the Director for Assets, Finance and Resources. Values less than £10,000 must be approved by the Director for Assets, Finance and Resources.
- 58 All surplus plant, equipment, furnishings, materials, etc. to be disposed of, where the estimated value is in excess of £250, shall be advertised for sale either by sealed offer or by public auction unless otherwise approved by the Comhairle or where a Director/Head of Service can demonstrate that this approach would not achieve Best Value. No items shall be sold to staff unless there has been some opportunity for the public to bid or to purchase at the sale price. Directors/Heads of Service may arrange for any item, surplus to requirements and with an estimated value of less than £250, to be donated to a recognised voluntary or charitable group, following consultation with the Director for Assets, Finance and Resources. Where this is not possible, any item with an estimated value of less than £250 shall be disposed off after consultation with the Director for Assets, Finance and Resources.

### *Supplementary Information*

The Comhairle's Scheme of Delegation Section B allows for all Directors/Heads of Service to declare as scrap or surplus to the Comhairle's requirements items of plant, equipment, furnishing or material where the estimated value of such an item is below £2,500.

- 59 Stocks and stores held shall not be in excess of normal requirements except in special circumstances with the approval of the Comhairle.
- 60 The Comhairle's property shall not be removed except in accordance with the ordinary course of the Comhairle's business or used otherwise than for the Comhairle's purposes except in accordance with specific directions issued by Directors/Heads of Service.
- 61 Directors/Heads of Service shall, in accordance with the date stated in the Closure of Accounts timetable:-
- report to the Director for Assets, Finance and Resources inventories of stocks and stores in hand as at 31 March preceding;
  - report to the Director for Assets, Finance and Resources inventories of furniture, fittings, equipment, plant and machinery in hand as at 31 March preceding.

## **Property**

- 62 The Head of Property and Infrastructure shall maintain a register of all land, properties and structures owned by the Comhairle, recording the purposes for which the properties are held, their location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted. In addition, the Director for Assets, Finance and Resources will maintain an asset register for financial accounting purposes.
- 63 The Director for Assets, Finance and Resources shall ensure that that a five year rolling programme of property valuations is adhered to.
- 64 The Chief Executive shall have the custody of all Title Deeds and shall make appropriate arrangements for their safekeeping.

## **Security**

- 65 Directors/Heads of Service shall be responsible for maintaining proper security at all times for all fittings, stocks, stores, furniture, equipment, cash, etc., under their control. They shall consult the Director for Assets, Finance and Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be required.
- 66 Maximum limits for cash holdings shall be agreed with the Director for Assets, Finance and Resources and shall not be exceeded without his specific approval.
- 67 Keys to safes and similar receptacles are to be carried on the persons of those responsible at all appropriate times. Loss of any such keys must be reported to the Director for Assets, Finance and Resources. Duplicate keys shall be kept available under secure arrangements and shall be available where the person responsible is absent from work.
- 68 Directors/Heads of Service shall be responsible for maintaining proper arrangements for security and privacy over information held manually or on any computer installation and for ensuring that it is used only for permitted purposes.
- 69 The Chief Executive shall have overall responsibility for compliance with the Data Protection Act 2018.
- 70 The safe custody of all valuables (such as insignia of office or other items of a similar nature) shall be the responsibility of the Chief Executive.

## **Procurement and Purchasing**

- 71 Official orders shall be:
- a) in a form approved by the Director for Assets, Finance and Resources and shall be signed, or authorised electronically, only by Officers authorised by the appropriate Director/Head of Service who shall be responsible for official orders issued from his or her service; and
  - b) made under such other arrangements as may be approved by the Director for Assets, Finance and Resources for the supply of public utility services, for periodic payments such as rent and rates, for petty cash purchases, for payment by corporate procurement card or such other exceptions.
- Additional requirements for the use of Credit Cards, One Cards and Procurement Cards, where issued.*
- c) the use of any credit/purchase cards will be made by or under arrangements approved by the Director for Assets, Finance and Resources. Where goods are obtained through use of a purchasing card or a Web-based system this must be arranged in accordance with the guidance issued by the Director for Assets, Finance and Resources.

- 72 Each order shall conform to the directions of the Comhairle with respect to its Procurement Strategy, Policy, Guidance and the standardisation of all supplies, services and materials. All orders must comply with the Comhairle's Contract Regulations.

- 73 A copy of each paper order must be supplied to the Director for Assets, Finance and Resources, together with the invoice.
- 74 All references in this section of the regulations should be taken to include, and apply equally to commerce transactions. The further development of this area of the Comhairle's operations requires that processes are in place to maintain security and integrity of data transacting business electronically.

#### *Supplementary Information*

The Comhairle's arrangements for securing goods, services or works are set out in separate Procurement Policy, Strategy and Procedural Guidance Notes that form part of, and should be read in conjunction with, these Financial Regulations.

Where the Comhairle is securing goods, services or works or arranging for the delivery of goods, services or works under a shared services arrangement or in partnership with another public body or bodies, the Director/Head of Service concerned shall ensure that:

- the organisation leading the activity is clearly identified at the outset;
- the procurement policy, strategy and procedural guidelines of the lead organisation shall apply; and
- an agreement which governs the relationship between the parties is in place, which includes reference to funding, performance monitoring and dissolution arrangements.

Sourcing of goods, services or works direct from a single supplier, with a value over the tendering threshold as specified in the Contract Regulations, shall be permissible only where prior approval is sought and obtained from the Chief Executive and the Director/Head of Service concerned having clearly demonstrated that it is appropriate to do so, principally in circumstances where there is only one supplier of the goods, services or works required.

#### **Payment of Accounts**

- 75 Where electronic ordering is used, the Director/Head of Service issuing an order is responsible for ensuring that a goods received note is actioned on the system to enable a three way match between the order, goods received note and invoice to be made. The goods received note also applies to services received.
- 76 The Director for Assets, Finance and Resources shall be responsible for processing invoices for payment, subject to a three way match being in place.
- 77 Before certifying an account or approving a purchase order (in either electronic or paper format) the certifying Officer shall, except to the extent that the Director for Assets, Finance and Resources may otherwise determine, be satisfied that:-
- the price, extensions, calculations, trade discount, other allowances, credits and tax are correct; (the Purchase to Pay Section may make minor adjustments on any Electronic Purchase Order, from the initial order placed, to take account of variations such as changes to delivery costs and pricing – these changes must not exceed £25 excluding VAT);
  - the relevant expenditure has been properly incurred within the relevant Estimate provision;
  - the amount has not been previously passed for payment and is a proper liability of the Comhairle;
  - the order value must not exceed their current certification limit;
  - cost centre and subjective account code on any requisition are correct;
  - the balance left within cost centre and subjective account code is sufficient to cover costs;
  - satisfies financial regulations of the Comhairle;

- satisfies the requirements of the Comhairle's Procurement Policy and Contract Regulations;
- demonstrates best value; and
- subject to the satisfactory delivery of the works, goods or services, will upon "receipting of delivery details" by his delegated Officer enter the invoice for settlement.

Before the receipting of an order the delegated Officer will ensure that:

- the work, goods or services to which the account relates have been received, carried out, examined and approved; and
- appropriate entries have been made in inventories, and stores records, as required.

- 78 Duly certified accounts shall be passed without delay to the Director for Assets, Finance and Resources who shall examine them to the extent considered necessary and make such enquiries and to receive such information and explanations as may be required.
- 79 Payment shall not be made on statements or duplicate/copy invoices unless thorough checks have been undertaken to ensure that payment has not already been made. Any such payments must be agreed with the Senior Purchase to Pay Officer.
- 80 Payment of Proforma Invoices must be approved by the Director for Assets, Finance and Resources.
- 81 Any amendment to a manual invoice or other document passed for payment shall be made in ink and initialled by the Officer making it and state briefly the reasons where they were not self-evident.
- 82 Directors/Heads of Service shall, no later than the date specified in the year-end closure timetable, furnish the Director for Assets, Finance and Resources with a certified list of all outstanding expenditure relating to the preceding financial year.

### **Payroll and Pensions**

- 83 The Director for Assets, Finance and Resources shall pay all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Comhairle.
- 84 The Director for Assets, Finance and Resources shall be responsible, in accordance with instructions issued by the Human Resources Section, for the application of all appropriate wages and salary agreements to employees of the Comhairle.
- 85 Directors/Heads of Service shall notify the Director for Assets, Finance and Resources as soon as possible, in compliance with any procedure determined by the Chief Executive and Director for Assets, Finance and Resources in an approved form, of all matters affecting the payment of such emoluments and in particular:-
- (a) appointments, resignations, dismissals, suspensions, secondments, redundancies, transfers, etc;
  - (b) absences from duty for sickness or other reason apart from approved leave;
  - (c) changes in remuneration other than normal increments and pay awards and agreements of general application; and
  - (d) information necessary to maintain records of service for superannuation, income tax and social security purposes.
- 86 Appointments of all employees shall be made in accordance with the Regulations of the Comhairle and the approved establishment, grades and rates of pay.
- 87 Time records or other pay documents shall be in a form approved by the Director for Assets, Finance and Resources and certified in writing by or on behalf of the appropriate Director/Head of Service. The names of Officers authorised to sign such records shall be sent to the Director for Assets, Finance and Resources by each Head of Service together with specimen signatures.

### **Petty Cash Imprests and Floats**

- 88 The Director for Assets, Finance and Resources shall provide such imprests as he considers appropriate to officers of the Comhairle who may require them for the purpose of defraying petty cash and other expenses. Such accounts shall be maintained on the Imprest system.
- 89 Where he considers it appropriate, the Director for Assets, Finance and Resources shall open an account with the Comhairle's Bankers for use by the Imprest holder who shall not cause such account(s) to be overdrawn. It shall be a standing instruction to the Comhairle's Bankers that the amount of any overdrawn balance on an Imprest holder's banking account shall be reported to the Director for Assets, Finance and Resources.
- 90 No income received on behalf of the Comhairle may be paid into an Imprest Account but must be processed through the normal cash receipting system or paid into the Comhairle's General Bank Account.
- 91 Imprest payments should only be made for minor items of expenditure which are required at short notice or as an emergency. They should not be used for items which could be routinely purchased using the formal purchasing processes and procedures. Payments shall be supported by a receipted voucher to the extent that the Director for Assets, Finance and Resources may require.
- 92 An Officer responsible for an Imprest shall, if so requested, give to the Director for Assets, Finance and Resources a certificate as to the state of his Imprest and as a matter of routine at the end of each financial year.
- 93 On leaving the employment of the Comhairle or otherwise ceasing to be entitled to hold an Imprest, an Officer shall account to the Director for Assets, Finance and Resources for the amount advanced to him/her.

### **Travel and Subsistence Allowances**

- 94 The Director for Assets, Finance and Resources shall be responsible for the administration and regulation of expenses and allowances to employees of the Comhairle.
- 95 Payments to Members, including co-opted members of the Comhairle or its Committees, will be made by the Director for Assets, Finance and Resources upon receipt of the prescribed form duly completed and authorised by the Chief Executive. All claims are to be submitted within two months of the approved duty.
- 96 All claims for payment of subsistence allowances, travelling and incidental expenses shall be submitted, (within two months of the approved duty) duly certified, in a form approved by the Director for Assets, Finance and Resources, at such regular intervals as are agreed. The names of Officers authorised to sign such records shall be sent to the Director for Assets, Finance and Resources by each Director/Head of Service together with specimen signatures and shall be amended on the occasion of any change.
- 97 The certification by or on behalf of a Director/Head of Service, in respect of claims by officers, shall be taken to mean that the certifying Officer is satisfied that the journeys were properly authorised, the expenditure properly and necessarily incurred and that the allowances are properly payable.

### **Performance Indicators**

- 98 The Chief Executive will ensure that officials at corporate and service level have been allocated the responsibility for preparing the indicators and ensuring compliance with statutory requirements.
- 99 In order to prepare the Indicators, each Director/Head of Service will:
- establish systems and procedures to ensure that the required information is gathered;
  - ensure that all working papers and relevant documents which may be examined by either the External or Internal Auditors will be available on request;



- gather information which is as far as possible, accurate and complete;
- ensure the annual direction and guidance is available to all officers involved in the process; and
- publish the data required in the correct format by the prescribed date.

100 Directors/Heads of Service will establish and document procedures for ensuring completeness and accuracy of performance information. These will include: audit trails, internal checks, reconciliations, independent reviews, reasonableness tests, variance analysis etc.

101 Directors/Heads of Service will also report performance during each financial year against respective Statutory Performance Indicators as required by the Chief Executive.

### **Financial Guardianships and Adults with Incapacity**

102 The Director for Assets, Finance and Resources shall make appropriate arrangements to discharge the responsibilities of Financial Guardianships, where Comhairle officials are required to act in this capacity.

103 In any circumstances where Comhairle officials are involved in the stewardship of funds relating to others they shall comply with legislation and/or those Regulations relevant to the particular situation.

### **Devolved School Management**

104 The financial aspects of the management of the Comhairle's schools shall be conducted in accordance with the Scheme of Devolved School Management. Unless agreed by the Director for Assets, Finance and Resources they must comply with these Regulations.

### **Voluntary Funds**

*Voluntary funds can provide substantial levels of finance, and although they do not constitute Comhairle funds, they are intended to support public services. The standards outlined elsewhere in these Regulations are therefore equally applicable to protect both the source of finance and the employees concerned. Parents and other benefactors are also entitled to the same standard of stewardship for voluntary funds as those applicable to public funds (examples include but not limited to amenity funds, school funds etc.).*

105 The financial control of voluntary funds shall be of the same standard required of public funds.

106 Voluntary funds will be administered separately from Comhairle funds. Bank accounts may only be opened and operated in accordance with the Comhairle's banking arrangements. Such bank accounts shall bear the name of Comhairle nan Eilean Siar along with the establishment to which it relates and its purpose.

107 Comhairle employees should not personally involve themselves in the financial administration or activity, of any group or organisation to which they have, as an officer of the Comhairle, been appointed as an adviser to the group or organisation.

108 The Director for Assets, Finance and Resources and/or the Comhairle's Internal Auditors may examine the accounts and records of all voluntary funds and ask for such records, explanations and information as may be required.

109 Where voluntary funds are administered outwith the accounting system of the Comhairle, then the officer responsible should ensure that proper records are maintained in a form approved by the Director for Assets, Finance and Resources.

110 All voluntary fund transactions shall require the approval of two authorised signatories.