

AGENDA ITEM

FINANCIAL REGULATIONS

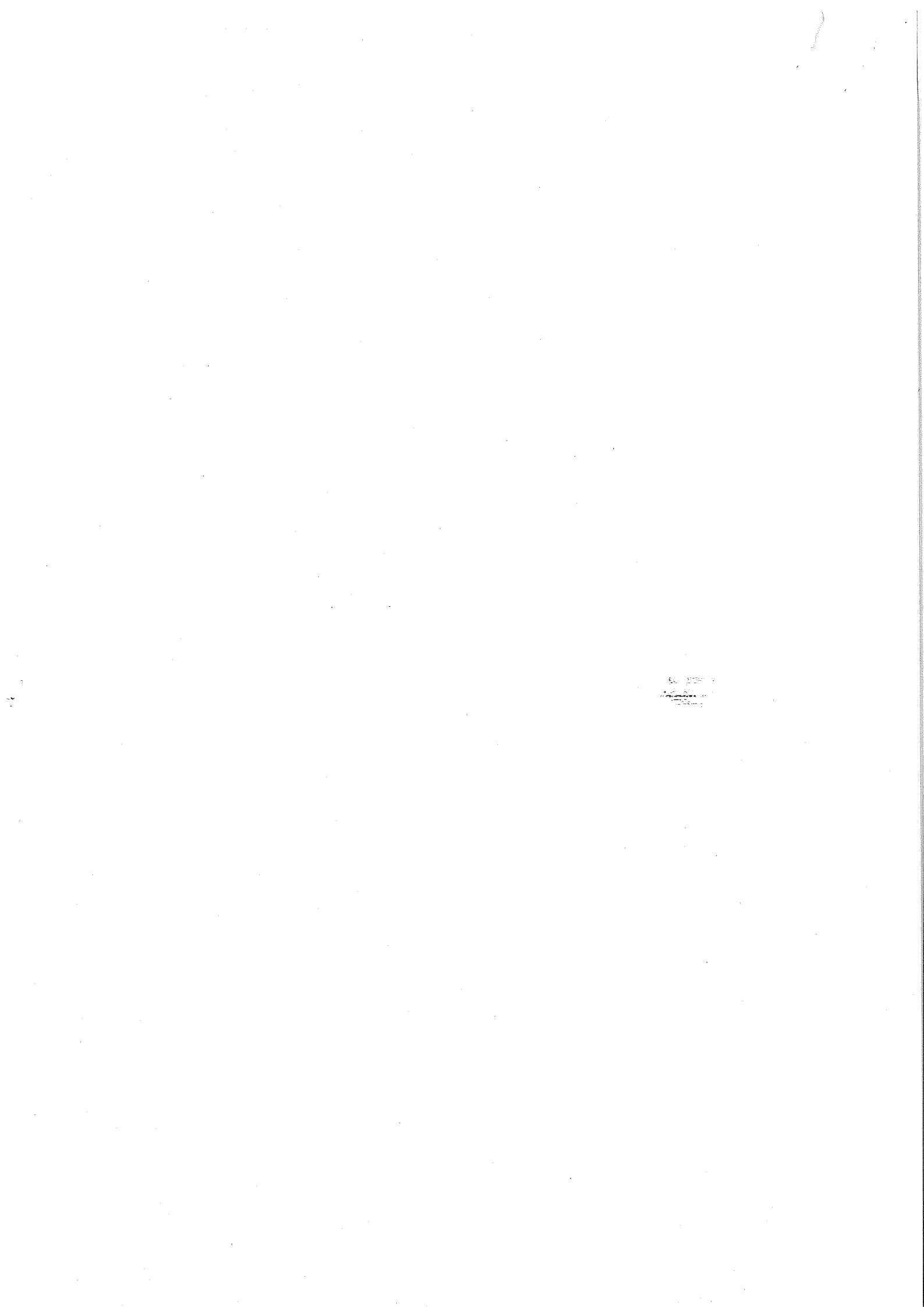


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FINANCIAL REGULATIONS

These Financial Regulations form part of the Standing Orders approved by the Joint Board.

SECTION A - INTRODUCTION

1. STATUS OF FINANCIAL REGULATIONS

These Regulations are made in terms of Section 95 of the Local Government (Scotland) Act 1973, as applied to the Board by Section 106 of the said Act.

Section 95 of the Act as so applied empowers the Board to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has responsibility for the administration of those affairs. The Board has appointed the Treasurer to the Board to be the proper officer.

The Board's Financial Regulations are designed to ensure the highest standards of probity in dealing with public money and to assist and protect staff in such dealings.

The Assessor can authorise exemptions from the Financial Regulations subject to alternative, adequate control arrangements being in place.

Any officer discovering a possible breach of these financial Regulations must report the matter immediately to his / her supervisor or to the Assessor. Failure by any officer to comply with the Regulations, or in the case of staff with supervisory responsibilities, failure to ensure the compliance of others, could be treated as misconduct which might give rise to disciplinary consequences up to and including dismissal. Some breaches of Financial Regulations may be treated as an offence giving rise to criminal proceedings.

Financial transactions are aggregated for the purpose of these Financial Regulations and therefore financial limits cannot be avoided by deliberately splitting transactions into smaller components.

An officer can incur expenditure which is essential to meet any immediate need created by an emergency, subject to any such action being reported by the Assessor at the earliest opportunity. This could include the prevention of the destruction of the Board's property, as well as any non-related expenditure.

SECTION B - FINANCIAL ADMINISTRATION AND BUDGETING

2. FINANCIAL ADMINISTRATION

- (1) The Treasurer will be responsible for regulating and controlling the finances of the Assessor's Service in conformity with these Regulations.
- (2) The Treasurer will keep the Board informed as to the state of the Assessor's Service's finances and shall report on the accounts of each financial year as soon as practicable.
- (3) In addition to the provisions of these Regulations, the Treasurer to the Board or the Assessor may issue supplementary financial instructions, and alter such instructions as may be considered appropriate.
- (4) Every Member, Officer and Agent of the Board will observe the provisions of these Financial Regulations. It will be the duty of the Assessor to secure compliance with these Regulations and to ensure that all employees of the Assessor's Service are made aware of the Regulations and the requirement to comply with them.
- (5) The financial aspects of any report to the Board will be the subject of prior consultation with the Treasurer, who will be provided with full details at least three days before the agenda is issued for the Meeting at which the matter is to be discussed.

3. PLANNING AND BUDGETING

- (1) The Board will agree the annual estimates of revenue and capital expenditure.
- (2) The Treasurer will specify the detailed procedural arrangements for the preparation of the annual revenue and capital budgets.
- (3) The inclusion of items in approved revenue or capital budgets will constitute authority to the Assessor, as appropriate in terms of the Scheme of Delegation to incur such expenditure save to the extent to which the Board has placed reservation on any such items or items. Expenditure on any such reserved matters may be incurred only when and to the extent that such reservation has been removed.

4. BUDGETARY CONTROL

- (1) It will be the duty of the Assessor to monitor and control income and expenditure within the financial allocation provided in the Revenue and Capital Budgets.
- (2) The Assessor will provide the Treasurer with access to all financial records and where requested will provide appropriate statements of income and expenditure.
- (3) It will be the duty of the Assessor to inform the Treasurer, who shall report to the Board, if it is forecast that total income or expenditure is likely to vary significantly from the approved financial allocation.

5. SUPPLEMENTARY ESTIMATES AND VIREMENT

- (1) Any proposal for virement involving a new policy or variation of existing policy which may have a significant impact upon the corporate plans of the Board must be approved by the Board.
- (2) Where the Assessor proposed to forego income or to incur revenue or capital expenditure for which there is no budgetary provision, a supplementary estimate must be sought from the Board.

6. VIREMENT

- (1) The Assessor may exercise virement within the overall Revenue Budget provided:-
 - (i) the amount of any individual virement does not exceed **£50,000 (or a value to be determined by the Board)**.
 - (ii) that where the virement is for more than **£25,000 (or a value to be determined by the Board)** there has been consultation with the Convener and Depute Convener of the Board on the matter and that a report has been prepared for submission to the Board.
 - (iii) The Treasurer has been notified.
 - (iv) The virement does not create an additional financial commitment into the following financial year.

- (2) The Assessor may exercise virement within the overall Capital Budget provided that:-
- (i) the amount of any individual virement does not exceed **£50,000 (or a value to be determined by the Board)** or 10% of the approved Capital Expenditure Programme whichever is the lesser.
 - (ii) that where the virement is for more than **£25,000 (or a value to be determined by the Board)**, there has been consultation with the Convener and Depute Convener of the Board and that a report has been prepared for submission to the Board.
 - (iii) the Treasurer has been notified.
 - (iv) The virement of expenditure is to a project within the approved Capital Expenditure Programme.

7. ACCOUNTING

- (1) All accounts and accounting records of the Board shall be compiled to the satisfaction of the Treasurer. In all cases the Assessor shall exercise supervision over the records and systems, and shall consult with the Treasurer before making a determination as to the form and method of keeping such records.
- (2) The following principles will be observed in the allocation of accounting duties:-
- (i) The duties of providing information regarding sums due to or by the Board and of calculating, checking and recording these, will be separated as completely as possible from the duty of collecting or disbursing them;
 - (ii) Officers charged with the duty of examining and checking the accounts of cash transactions will not themselves be involved in maintaining these accounts.

SECTION C – INCOME AND EXPENDITURE

8. INCOME

- (1) Not less frequently than once per year, the Assessor, will in consultation with the Treasurer, review scales of charges or tariffs relating to the Service.
- (2) All receipt forms, receipt tickets, books, and other forms of accountable stationery used to record financial and related transactions will be in a form approved by the Treasurer and will be ordered, controlled and issued under arrangements approved by the Treasurer.
- (3) Every sum received by a cashier or other officer of the Board shall be immediately acknowledged by the issue of an official receipt, ticket or other document approved by the Treasurer for this purpose.
- (4) All money received by an employee on behalf of the Assessor's Service will without delay be paid intact into the banking account operated on behalf of the Board.
- (5) Personal Cheques will not be cashed out of the money held on behalf of the Board, nor shall personal cheques be substituted for cash collected on behalf of the Board.
- (6) Every sum received on behalf of the Assessor's Service by a cashier or other officer of the Assessor's Service shall be immediately acknowledged either by a receipt or by signature in a cash accounting record.
- (7) No debt in respect of an amount due to the Assessor's Service, once correctly established, will be discharged otherwise than by payment in full or by a resolution of the Board authorising the writing off of the debt or the unpaid portion thereof, except that the Treasurer may write off where:
 - (i) there are good and sufficient reasons for doing so, and
 - (ii) the sum due is less than £500

9. PURCHASING OF GOODS AND SERVICES

- (1) Contract Standing Orders specify the circumstances and value of contract for which formal competitive tenders are mandatory. All contracts must comply with the Contract Standing Orders.

10. ORDERS FOR WORK, GOODS AND SERVICES

- (1) Official orders will be in a form approved by the Treasurer. The Assessor will ensure that proper procedures exist for the custody, control and authorisation of official order forms.
- (2) Official orders will be issued for all work, goods or services to be supplied to the Assessor's Service except as follows:
 - (i) Work goods, or services which are covered by a prior written agreement which prescribes that payments will be made at certain intervals or under certain conditions.
 - (ii) The metered element of telephone, gas, water and electricity services, but not the installation, alteration or repair of such services
 - (iii) Periodic payments such as rates
 - (iv) Minor purchases in cash for which reimbursement is made through an imprest account
 - (v) Where the specific approval of the Treasurer has been obtained
- (3) Except as specifically agreed in writing with the Treasurer, all orders will be in writing and will be given to the suppliers in advance of any work, goods or services being provided to the Board. However, in an emergency, a verbal order may be given which will be confirmed in writing as soon as possible thereafter and will be marked "Confirmation of telephone or verbal order".
- (4) All orders will be signed by a person authorised in writing to do so, and the names and specimen signatures of such persons will, if so required, be supplied to the Treasurer.
- (5) The person authorising any order will ensure that the expenditure to be incurred is legal, and that the order indicates clearly the nature and quantity of goods etc, to be supplied, any contract or agreed selling price relating thereto, and the budget head to which it is to be charged. The officer authorising an order must also be satisfied that best value has been achieved, there is sufficient budget provision and the timing of the order and quantities are appropriate.
- (6) A copy of any order form will, if so required, be supplied to the Treasurer.
- (7) Officers may not enter into any lease/rental or HP arrangements without the express approval of the Assessor and Treasurer.

- (8) Standing Orders relating to Contracts specify the value of work or goods for which formal competitive tenders are mandatory: in other cases competitive quotations shall be obtained, unless, in the opinion of the the Assessor concerned, it is inappropriate to do so
- (9) All contracts entered into shall comply with the Board's Contract Standing Orders.

11. PAYMENTS OF ACCOUNTS

- (1) All payments of money due from the Assessor's Service will be according to procedures and instructions issued by the Board's Treasurer in consultation with the Assessor.
- (2) The Assessor is responsible for examining, verifying and certifying invoices. Any request for payment not formally supported by a proper invoice must be accompanied by an appropriate document signed by an authorised officer. Such certification will be a signature in manuscript. The names of Officers authorised to sign such records will be sent to the Treasurer, together with specimen signatures, and will be amended on the occasion of any change.
- (3) It is best practice for the authorised signatory of the invoice to be different from the authorised signatory signing the related purchase order.
- (4) Before certifying that an invoice or other payment document, the certifying Officer will be satisfied that:-
 - (i) the work, goods or services, to which the invoice relates have been received, carried out, examined and approved;
 - (ii) The prices, extensions, calculations, trade discounts, other allowances, credits and Value Added Tax and other taxes, are correct;
 - (iii) The relevant expenditure has been properly incurred and is within the relevant estimate provision;
 - (iv) Appropriate entries have been made in inventories, stores records or stock books as required;
 - (v) The invoice has not been previously passed for payment;
 - (vi) The invoice is in the name of **the Assessor for Central Scotland** or an integral part of it;

- (vii) The charge is a proper liability of the Assessor's Service;
 - (viii) The invoice complies with the requirements of HM Customs and Excise, where VAT is involved; and
 - (ix) No charge for carriage has been added to the invoice if none was agreed at the time of the order.
- (5) The Assessor will as soon as possible after 31st March notify the Treasurer, by a date which may be specified each year, or all significant outstanding expenditure relating to the previous financial year.
 - (6) Care must be taken not to make duplicate payments especially if the invoice is a fax, copy invoice, photocopied invoice or the document is a statement. In addition particular care should be given to the requirement that a supplier must give a declaration that no payment has been made on the original invoice. Payment will only be made on a hard copy invoice with the wording "this is a true and certified copy".
 - (7) In all instances where discounts are available care should be taken that the relevant time period is adhered to.
 - (8) All payments must be made on time, to comply with the requirements of the Late Payment of Commercial Debts (Interest) Act 1988. This Act enables an organisation being paid at a date later than required to charge interest at the Bank of England Base Rate plus 8%. To avoid the possibility of such penalties, as well as potential damage to the Valuation Joint Board's reputation, everything possible must be done to ensure that all payments are made by the due date.

12. SALARIES, WAGES AND PENSIONS

- (1) The payment of all salaries, wages, pensions compensations and other emoluments to all employees, or former employees of the Assessor's Service and all other payments made to employees as a consequence of their employment by the Assessor's Service will be made under arrangements approved by the Treasurer.
- (2) Appointments of all employees will be made in accordance with the procedures approved by the Board and the approved establishments, grades and rates of pay.
- (3) All documents which for the basis of a payment to an employee of the Board, including overtime claims and expense claims must be in a format approved by the Treasurer and must be certified by an authorised signatory as well.

- (4) When an overtime claim is authorised the certifying officer must be satisfied that the officer was authorised to work the additional hours and they were actually worked.
- (5) All documents which form the basis of a payment shall:-
 - (i) be completed by the employees themselves except in cases of illiteracy when a supervisory officer may complete them, suitably endorsing the timesheets to this effect.
 - (ii) be certified by the appropriate officer unless otherwise agreed by the Treasurer.

13. TRAVELLING, SUBSISTENCE AND FINANCIAL LOSS ALLOWANCES

- (1) All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses will be submitted to the Assessor, duly certified in an approved form and made up to a specified day of each month, within seven days thereof. The names of Officers authorised to certify such records will be sent to the Treasurer, together with specimen signatures and will be amended on the occasion of any change.
- (2) The certification by or on behalf of the Assessor shall be taken to mean that the certifying officer is satisfied that
 - (i) The journeys were necessary and authorised;
 - (ii) Any payment conforms with approved terms and conditions for the employee concerned;
 - (iii) The receipt must be attached to the claim;
 - (iv) Forms and claims have been completed accurately and are correct; and
 - (v) Claims are not excessive or anomalous.

All receipts must be kept, both as verification and to enable VAT to be reclaimed.

Employees' claims submitted more than two months after the expenses were incurred will be paid only with the express approval of the Assessor.

All claims for a financial year are to be submitted within one month from 31st March.

SECTION D – ASSETS AND SECURITIES

14. INVENTORIES

- (1) All services will maintain, in a form approved by the Treasurer, up to date inventories of all furnishings, office equipment, plant and machinery, scientific apparatus, silverware works of art and any other valuable property. Wherever practicable all furniture, equipment plant and machinery shall be effectively marked as the property of the board.
- (2) The Assessor will be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly. Any material deficiency will immediately be notified to the Treasurer.
- (3) The Assessor's Service's property will not be removed otherwise than in accordance with the ordinary course of the Assessor's Service's business or used otherwise than for the Assessor's Service's purpose except in accordance with specific directions issued by the Assessor.

15. STOCKS AND STORES

- (1) The care, custody and level of stock will be the responsibility of the Assessor, who will ensure that:
 - (i) adequate arrangements have been made for the proper and secure storage of all stock
 - (ii) stock levels are maintained at the minimum level sufficient to meet the operational requirements of the Service
 - (iii) all stocks received, issued or otherwise disposed of are accounted for in the manner prescribed by the Treasurer
 - (iv) all stocks are checked at least once a year by persons independent of the day to day administration of those stocks; and
 - (v) any surpluses or deficiencies found on stocktaking or at any other time are investigated and reported to the Treasurer.
- (2) The Assessor may with the agreement of the Treasurer write off losses of stock.

- (3) Surplus materials, stores and equipment will be disposed of by competitive tender or public auction except where the Assessor certifies that the income likely to accrue from disposal is less than £1,000. No items which collectively cost more than £25,000 can be disposed of without the approval of the Treasurer.

16. VEHICLES, PLANT AND EQUIPMENT

- (1) The Assessor will be responsible for the operation and control of all vehicles in use within the Assessor's Service, and for the purposes of these Regulations, the term vehicles will include all vehicles, mobile plant and equipment, whether owned, leased or hired by, or otherwise in the custody or control of, the Assessor's Service.
- (2) The Assessor will be responsible for ensuring that all vehicles are maintained in a satisfactory state of repair, and will take such steps as are considered necessary by way of action or advice to ensure that all legal and safety requirements in respect of their operation are complied with.
- (3) All vehicles will be used only for the purpose of the Assessor's Service, and by such persons in such a manner as the Assessor shall direct.
- (4) No employee may take a vehicle home unless officially rostered for stand-by duty and the vehicle is required for the performance of such duty, or the prior permission of the Assessor, has been granted, which permission will not be given unless such use of the vehicle is essential for the conduct of the Assessor's Service business. In such circumstances the unofficial or unauthorised use of a vehicle including the carrying of unauthorised passengers is prohibited.
- (5) If any vehicle is involved in an accident, whether or not there is injury to any person or damage to any vehicle or property, the person in charge of the vehicle at the time of the accident will, not later than the end of the current shift, or earlier if the nature of the accident so warrants, inform the Assessor of the circumstances and will complete an accident report on the standard form, copies of which will be forwarded immediately to the Treasurer.
- (6) All use of vehicles will be recorded in such forms or log books as the Assessor may require.
- (7) All vehicles surplus to the requirements of the Assessors' Service will be disposed of by public auction, or by such other method as the Assessor in consultation with the Treasurer may jointly determine.

17. SECURITY

- (1) The Assessor is responsible for maintaining proper security at all times of all buildings, stocks, stores, furniture equipment cash etc. The Treasurer will be consulted in any case where security is thought to be defective or where it is considered, or has been advised, that security may be inadequate, or that special security arrangements may be required.
- (2) The Assessor will advise the Treasurer of all circumstances where cash is held or is otherwise under the control of employees of the Assessor's Service and shall ensure that all amounts of cash so held or controlled do not exceed such amounts as may be prescribed by the Treasurer.
- (3) Keys to safes and similar receptacles containing cash or valuable documents or articles will be carried on the person of those responsible or be otherwise kept secure, and the Assessor will in each case, determine the person responsible or approve the arrangements for keeping the keys secure. A register of all such key holders will be kept and the loss of any such keys will be reported immediately to the Assessor.
- (4) All employees who may be required to receive or hold cash or property on behalf of the Assessor's Service and such other employees of groups of employees as the Assessor may direct, will be given an identity card bearing a photograph of the holder, and must produce the card to any person having reasonable grounds to know the identify of the holder.
- (5) The Assessor will be responsible for ensuring that proper privacy and security is maintained in respect of information held on computer, and that the requirements of the Data Protection Act and any other relevant legislation are complied with.
- (6) The Assessor will ensure that the information held on any computer storage medium and the use to which that information is put is confined solely to the purposes of the Assessor's Service and no person will communicate any information so held (whether or not such information is also held in another form) to any other person except where the information is being communicated for the purposes of the Assessor's Service, and where the person receiving such information is entitled to receive it.

18. ESTATES

- (1) The Assessor will maintain a register of all properties owned or leased by the Assessor's Service recording purpose for which held, location, extent and plan reference, purchase details particulars or nature of interest and rents payable and particulars of any tenancies granted.
- (2) The Clerk to the Board will have the custody of all title deeds under secure arrangements.

SECTION E – INTERNAL AUDIT, RISK AND INSURANCE

19. AUDIT

- (1) The Assessor will make arrangements in consultation with the Treasurer for a continuous and effective internal audit of the accounting, financial and other associated operations of the Assessor's Service, and in doing so, will not be subject to the control or direction of any person.
- (2) Internal Auditors have authority, on production of identification to:-
 - (vi) enter at all times any Assessor's Service premises or land
 - (vii) have access to all records, documents and correspondence including any data held on computer storage media, which relate to the administration, financial and associated operational transactions of the Assessor's Service
 - (viii) require and receive such explanations which are considered necessary concerning any matter under examination, and
 - (ix) require any employee or agent of the Assessor's Service to produce cash, stores or any other Assessor's Service property under their control or to which they have access.
- (3) The Assessor is require to notify the Treasurer of all financial irregularities, including those affecting cash stores, contracts or property.

20. RISK MANAGEMENT AND BUSINESS CONTINUITY

- (1) Senior officers will ensure that appropriate Risk management measures are taken within their area. A risk management plan will be drawn up and kept constantly updated.

21. INSURANCES

- (1) The Assessor will make arrangements to effect all insurance cover and negotiate all claims in consultation with the Treasurer.
- (2) The Assessor will give prompt notification to the Treasurer of all new or increased risks, properties, vehicles, equipment and other assets which require to be insured and of any alterations affecting existing insurances.
- (3) The Assessor will advise the Treasurer of any activities which might result in any person or body having a claim against the Assessor's Service, and where the risk of such an event could be covered by insurance.
- (4) The Assessor will immediately notify the Treasurer in writing of any loss, liability or damage or any event likely to lead to a claim, and shall inform the Police where there is a legal liability to do so, or where, after consulting the appropriate Officers of the Board, they have been advised to do so.
- (5) All appropriate employees of the Assessor's service will be included in suitable fidelity guarantee insurance.
- (6) The Assessor will annually, or at such other period as may be considered necessary review all insurances in consultation with the Treasurer as appropriate.
- (7) The Assessor will consult the Treasurer and the Clerk to the Board regarding the terms of any indemnity which the Board is requested to give.

SECTION F – BANKING

22. BANKING ARRANGEMENTS AND CHEQUE

- (1) All banking arrangements are the responsibility of the Treasurer who shall be authorised to operate such bank accounts as may be considered necessary.

- (2) All cheques, and other forms enabling payment to be made on behalf of the Board from a bank account will be ordered only on the authority of the Treasurer, who will ensure that proper arrangements have been made for their safe custody and that adequate controls exist over the usage and production of cheques.
- (3) All arrangements for the transfer, receipt and payment of monies using any form of automated bank transfer will be made by or under arrangements approved by the Treasurer.

23. INVESTMENTS AND TREASURY MANAGEMENT

- (1) All heritable securities which are the property of or in the name of the Board or its nominees and the title deeds of all property in its ownership will be held in custody of the Clerk of the Board.
- (2) All trust funds will wherever possible be in the name of the Board.
- (3) Subject to Standing Order 15(1), all Officers acting as trustees by virtue of their official position will deposit all securities, etc relating to the trust with the Treasurer unless the deed otherwise provides.
- (4) All funds in the hands of the Board will be aggregated for the purposes of Treasury Management as defined in Paragraphs 5 and 6 of the CIPFA Code of Treasury Management in Local Authorities and will be under the control of the Treasurer.
- (5) All decisions on borrowing, investment or financing shall be delegated to the Treasurer and/or designated staff, who will all be required to act in accordance with the CIPFA Code of Treasury Management in Local Authorities and in particular:-
 - (i) all loans to the Board shall be negotiated by the Treasurer and wherever possible shall be paid direct by the lender or his agent to the Board's bank account through the head office of the Board's bankers.
 - (ii) All interim loan receipts, temporary loan receipts and bond certificates shall, prior to use, be in the custody of the Treasurer and issued only when required for completion; and
 - (iii) The only authorised signatories to any form of loan receipts (other than documents issued under the seal of the Board) shall be those nominated by the Board

- (6) The Treasurer will be the Board's registrar of stocks, bonds and mortgages granted by the Board and shall maintain records of all borrowing of money by the Board.

SECTION G - IMPRESTS

24. IMPRESTS

- (1) The Treasurer will provide imprests as considered appropriate for Officers of the Assessor's Service for the purposes of petty cash and other expenses.
- (2) Payments from imprest accounts will be supported by receipted vouchers whenever possible.
- (3) No income received on behalf of the Board may be paid into an imprest account.
- (4) Any officer responsible for an imprest will, when requested, provide the Treasurer with a certificate as to the state of his imprest.
- (5) Officers will be personally responsible for imprests which they hold and they shall account to the Treasurer for the amount advanced.
- (6) All imprest accounts will be maintained in accordance with guidance notes issued by the Treasurer.