

WEST DUNBARTONSHIRE COUNCIL

FINANCIAL REGULATIONS

Draft

(Revised June 2011)

WEST DUNBARTONSHIRE COUNCIL

Financial Regulations

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WEST DUNBARTONSHIRE COUNCIL
Financial Regulations

A. **FINANCIAL ADMINISTRATION**

1. Responsibility of the Council The Council is responsible for monitoring its finances.

2. Best Value

In securing best value, the local authority shall maintain an appropriate balance among

- **the quality of its performance of its functions;**
- **the cost to the authority of that performance; and**
- **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 opportunity requirements**

The Council shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

3. Section 95 Officer

Any reference, in these Financial Regulations, to **“Executive Director of Corporate Services”** shall only apply to the extent that the postholder is the designated Officer responsible for the proper administration of the Council’s financial affairs under section 95 of the Local Government (Scotland) Act 1973.

It is the duty of the Council to make arrangements which secure best value, being the continuous improvement in the performance of the authority’s functions.

In securing best value, the local authority shall maintain an appropriate balance among

- the quality of its performance of its functions;
- the cost to the authority of that performance; and

- 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 opportunity requirements.)
- The council shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

4. Responsibility of **Executive Director of Corporate Services**
- The **Executive Director of Corporate Services** shall, for the purposes of Section 95 of the Local Government (Scotland) Act, 1973, be responsible, under the general direction of the Council, for the proper administration of the Council's financial affairs.
5. **Executive Director of Corporate Services** as Adviser
- As the Council's financial adviser, the **Executive Director of Corporate Services** shall report to the Council with respect to the level of resources proposed to be utilised in each financial year and shall keep the Council informed with respect to its finances and financial performance and, where applicable, other committees informed with respect to the financial implications of their activities.
6. **Executive Directors** responsible for Resources
- Executive Directors are responsible for the security, custody and control of all resources including buildings, plant, materials, cash and stores relating to their departments.
7. **Executive Directors** to Consult **Executive Director of Corporate Services**
- Each Executive Director, with respect to any matter within their scope which is liable to affect materially the finances of the Council, shall consult with the **Executive Director of Corporate Services** before any provisional or other commitment is incurred or before reporting thereon to the Council or to a committee. Matters covered by approved budgets are excluded from this requirement.
- The question of materiality will be the subject of consultation with the **Executive Director of Corporate Services** and, if appropriate, the Chief Executive. Such guidance will form part of these Regulations.

8. Role of Chief Executive Unless otherwise stated, the title “**Executive Director**” applies to the Chief Executive for the purpose of describing his/her role in relation to these Regulations.

B. ESTIMATES

1. Form of Estimates Subject to the direction of the Council, the detailed form of capital and revenue estimates shall be determined by the **Executive Director of Corporate Services** in accordance with normal professional practice.
2. Preparation of Estimates It shall be the duty of the **Executive Director of Corporate Services** to prepare annual estimates on revenue and capital account relating to all departments and services of the Council, and for this purpose the **Executive Directors** shall furnish the **Head of Finance & Resources** each year, at dates to be determined by him/her, with all necessary information regarding the requirements of their departments.
3. Determination Process After preparation, the estimates shall be collated and considered within the guidelines laid down by the Council.
- After consideration, the estimates and any recommendations thereon will be submitted to the Council together with a report by the **Executive Director of Corporate Services** for consideration.
4. Report on the Estimates The Council shall consider the estimates, revise them if appropriate, approve them as so revised and with regard to the revenue estimates authorise the expenditure included therein and determine the level of council tax.
5. Council Consideration and Council Tax Level The timetable for the process of estimates and budget shall be in accordance with that determined by the Council.
6. Long Term Capital Programme A capital programme shall be prepared annually by **Executive Directors** in conjunction with the **Head of Finance & Resources** for submission to the **Asset Management Group and thereafter** consideration by the Corporate Management

Team. The programme will then be submitted to the full Council for approval. Thereafter the Council shall consider the capital programme, revise it if appropriate, and approve it as revised.

7. Authority to Proceed with Capital Projects

The inclusion of a project in the capital programme does not, of itself, authorise expenditure and the provisions in Standing Orders as to the placing of contracts and Council approval shall apply.

C. CONTROL OF EXPENDITURE

1. Need for Budgetary Provision

No expenditure shall be incurred unless included in the annual estimates or covered by a supplementary estimate approved by the Council after the submission of a report thereon.

2. Virement

Transfer of approved estimates from one head of expenditure to another, within a service estimate, will be subject to the approval of the **Head of Finance & Resources** in consultation with the Service Convener and, if considered to affect materially the approved budget, the Council (or spending Committee where appropriate).

Where capital expenditure is involved, the **Head of Finance & Resources** may approve transfers from one head of expenditure to another, within a service, up to £60,000, in consultation with the Service Convener. Any inter-service transfers will require the approval of the Council.

3. Overspendings

Where it appears that the amount of any head of estimate of approved expenditure may be significantly exceeded or the amount of any head of approved income may fall significantly short of that estimated, it shall be the duty of the **Executive Director** concerned, after consultation with the Chief Executive, **the Executive Director of Corporate Services** and the **Head of Finance & Resources**, to inform the Council of the estimated amount of the deviation, the reasons for the deviation and the options for addressing it.

4. Report on Capital and Revenue Schemes

No capital work outwith the capital programme, (unless agreed by the Chief Executive as relatively minor and of an urgent nature), and no major revenue project (even although included in the annual estimates) shall be

commenced unless it has been the subject of a report to the Council by the relevant director. Where expenditure on a capital or revenue scheme is significantly greater than the budget amount it must be reported to the full Council.

5. Need for Committee Consent to Expenditure

No expenditure on the purchase of equipment of a value in excess of £50,000 for each proposal will be made without the prior consent of the members even although provision has been made in the capital programme or annual revenue estimates. For this purpose each proposal is defined as including separate but associated pieces of equipment. Expenditure up to this limit may be authorised by the Chief Executive or a director if generally provided for in the capital programme or revenue estimates.

6. Loan Consents

Subject to 4 and 5 above, no capital expenditure will be incurred unless the appropriate **Executive Director** has ensured it is contained within the capital programme and is covered by appropriate resources.

7. Budgetary Control

(i) **Head of Finance & Resources:-**

It shall be the responsibility of the **Head of Finance & Resources** to furnish each director at regular intervals (normally monthly), a comparative statement showing the estimated revenue income and expenditure of each department and the payments and receipts actually made to that date.

(ii) **Executive Directors :-**

It shall be the responsibility of each **Executive Director** to ensure that the items in the annual estimates are not overspent and that the department's expenditure conforms to the requirements of the financial regulations. The **Executive Director of Corporate Services** and each director shall submit to the Council, on a regular basis (normally bi-monthly), a statement comparing expenditure and income with budget.

D. CONTROL OF INCOME

1. Determination and Alteration of Charges
The rate of charge for goods or services supplied by the Council shall not be altered without the approval of the Council (or spending Committee where appropriate), unless an alteration is required arising from a change in fiscal legislation.
2. Accounting Arrangements
It shall be the duty of the **Executive Director of Corporate Services** to make adequate financial and accounting arrangements to ensure the proper recording of all monies due to the Council, the proper collection, custody, control and disposal of all cash in all departments of the Council.
3. Notification of Income to **Head of Finance & Resources**
Particulars of all charges to be made for work done, services rendered or goods supplied by the various departments of the Council and of all other amounts due to the Council shall be promptly notified to the **Head of Finance & Resources** in a form approved by him/her and all accounts for income to the Council shall be rendered by or under arrangements approved by the **Head of Finance & Resources**
4. Write-Offs
Individual sums due to the Council and exceeding £500 (excluding VAT) shall not be written-off except after consideration by the Council. Sums up to £500 which are due, may be written off on the authority of the **Head of Finance & Resources** if he/she is satisfied that they cannot reasonably be recovered.
5. **Benefit Overpayment**
An overpayment of Housing/Council Tax benefit will not be recoverable where it arose resulting from a “technical error” and where the claimant (or someone acting on their behalf) could not reasonably have been expected to realise that it was an overpayment.
6. Treatment of Money Collected
All money received on behalf of the Council in any department shall be deposited with the **Head of Finance & Resources** or the Council’s bankers in accordance with arrangements made with the **Head of Finance & Resources**. No deduction may be made from such money save to the extent that the **Head of Finance & Resources** may specifically authorise.
7. Forms, Books and Tickets
All official forms, books and tickets for the disbursement and collection of monies shall be in a form approved by the **Head of Finance & Resources**.
8. Personal Cheques
Personal cheques shall not be cashed out of the money held on behalf of the Council.

9. Transfers of Money All transfers of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving officer.
10. Exchequer Grants The **Head of Finance & Resources** will be advised of all relevant information necessary for him or her to make application for all exchequer grants due to the Council.

E. BANKING, CONTROL OF CHEQUES, BORROWING, INVESTMENT AND TRUST FUNDS

1. Arrangements with Bankers All arrangements with the Council's bankers concerning the Council's bank accounts and the issue of cheques shall be made by the **Head of Finance & Resources**.
2. Payments into Bank All monies received shall be paid into the Council's bank account daily or at such other intervals as may be arranged by the **Head of Finance & Resources**.
3. Cheque Control All cheques, including National Giro Payment forms shall be ordered and controlled on behalf of the Council by the **Head of Finance & Resources** and shall bear the facsimile signature of the **Head of Finance & Resources**, or be signed by him/her or other officer authorised by him/her to do so.
4. Code of Practice on Treasury Management This Council adopts CIPFA's "Code of Practice for Treasury Management in the Public Services".
5. Treasury Policy Statement A Treasury Policy Statement setting out its strategy and procedures has been adopted by the Council.
6. Aggregation All money (other than miscellaneous balances such as imprest accounts and deposit receipts) in the hands of the Council shall be aggregated for the purposes of treasury management and shall be under the control of the **Head of Finance & Resources**.
7. Delegation to **Executive Director of Corporate Services** All executive decisions on borrowing, investment or financing shall be delegated to the **Executive Director of Corporate Services**, or through him/her to his/her staff, who shall be required to act in accordance with CIPFA's 'Code for Treasury Management in Local Authorities' and the Council's Treasury Policy Statement.

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| 8. Investments | All investments of money under its control shall be made in the name of the Council or in the names of nominees approved by the Council |
| 9. Borrowing | All borrowing shall be effected in the name of the Council. |
| 10. Trust Funds | Trust funds shall wherever possible be in the name of the Council. |
| 11. Deposit of Fund | All officers acting as trustees by virtue of their official position shall deposit all securities, etc., relating to the trust with the Head of Finance & Resources unless the deed otherwise provides. |
| 12. Registrar of Bonds and Mortgages | The Executive Director of Corporate Services shall be the Council's registrar of stocks, local bonds and mortgages, except where an outside Registrar is appointed by the Council. The Head of Finance & Resources shall maintain records of all borrowing of money by the Council. |
| 13. Control of Charitable Funds | The Head of Finance & Resources shall ensure the proper and safe custody and control of all charitable funds held by the Council and that all expenditure is in accordance with the conditions of the trust deed, etc. |
| 14. Reports by Executive Director of Corporate Services | The Executive Director of Corporate Services shall report twice annually to the Council on the activities of the Treasury Management operation and on the exercise of Treasury Management powers delegated to him/her. One such report shall comprise an Annual Report on Treasury Management for presentation by 30th September, of the succeeding financial year. |

F. STORES, INVENTORIES AND COSTINGS

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| 1. Costing Systems and Stores Control | Arrangements made by Executive Directors for costing systems and stock and stores control shall be subject to the approval of the Head of Finance & Resources and shall, at least annually, be subject to review by the directors. |
| 2. Custody of Stores and Stocktaking | The care and custody of stores and equipment in any department shall be the responsibility of the Executive Director of that department who will ensure that stocktaking is carried out at regular intervals as agreed with the Head of Finance & Resources |

3. Write-Offs or Surpluses of Stores
No entries will be made, in the records, to write-off stores deficiencies or to bring surpluses into charge unless authorised by the **Head of Finance & Resources** who may refer such adjustments to the Council. The **Head of Finance & Resources** may issue guidance, from time to time, on this subject and such guidance will form part of these Regulations.

4. Disposal of Surplus Plant, etc.
Subject to prior consultation with the **Head of Finance & Resources**, all useable surplus plant, equipment, furnishings, materials, etc., to be disposed of by any department of the Council, and which cannot be utilised by any other department, shall be advertised for sale by sealed offer unless in special circumstances approved by the Council.

5. Inventories
All departments will maintain inventories of furniture, fittings, equipment, plant and machinery. The form of the inventories will be determined by the **Head of Finance & Resources**.

6. Stock Levels
Stocks and stores held shall not be in excess of normal requirements except in special circumstances with the approval of the committee concerned.

G. **ORDERING (of GOODS & SERVICES) AND PAYMENT OF ACCOUNTS**

1. Official Orders
All goods supplied to, or work executed for the Council shall be ordered or confirmed in writing by means of an official order. Such requisitions or orders will be signed only by officers authorised by the appropriate chief officer. Such signatories shall be reviewed on a regular basis by the relevant **Executive Director**.

2. Exemption from Official Orders
Official orders will not be required for supplies of public utility services, periodical payments or petty cash purchases.

3. Central Purchasing and Standardisation
Each order shall conform with any directions of the Council with respect to central purchasing and the standardisation of supplies and materials.

4. Check on Goods and Services
It shall be the duty of each director to ensure that all goods and services received are as ordered in respect of value, quantity and quality.

5. Certification by **Executive Director** Each Executive Director shall arrange to certify that all payment vouchers comply with the following:
- The work, goods or services to which the account relates have been received, carried out, examined and approved and are in accordance with the order.
 - The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.
 - The expenditure has been properly incurred, is within the relevant estimate provision and the provision of standing orders as to limits of expenditure authority have been observed.
 - Appropriate entries have been made in inventories, stores records or stock books as required.
 - The appropriate expenditure code numbers are entered on the document for payment.
- Having so certified the voucher, the director or other authorised officer shall pass it to the **Head of Finance & Resources** for payment.
6. Separation of Duties Each Executive Director shall ensure that a separation of duties exists between officers authorising orders and certifying payment of invoices.
7. Authorised Signatories The **Head of Finance & Resources** will compile a list of authorised signatories for this purpose in each department and specimen signatures will be required from the persons concerned.
8. Duplicate Invoices, etc. Payment will not be made on duplicate or photocopy invoices unless the **Executive Director certifies on the appropriate batch slip** that the amounts have not been previously paid.
9. Corporate Services (Finance) Department checks The **Head of Finance & Resources** shall supplement the departmental checks on payment of accounts as he/she considers necessary.
10. Amendments to Payment Vouchers Any amendments made to payment vouchers shall be made in ink and initialled by the officers making them stating briefly the reasons where this is not self-evident.
11. Electronic Procurement The above requirements apply equally to orders and payments made through the e-procurement system (“WeBuy”) and through purchasing cards. Each Executive Director shall ensure that all staff using electronic systems operate in accordance with the relevant authorisation levels and thresholds embedded within the systems.

H. ACCOUNTING

1. Accounting Procedures and Records
All accounting procedures and records of the Council and its officers shall be determined by the **Executive Director of Corporate Services** and all accounts and accounting records of the Council shall be compiled by the **Executive Director of Corporate Services** or under his/her direction.

2. Internal Checks
The following principles shall be observed in the allocation of duties:
 - The provision of information about sums due to or from the Council and the process of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting, disbursing, or authorising payment of such sums.
 - Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

3. Year End Accounting Returns
Executive Directors shall annually, at dates to be specified by the **Head of Finance & Resources**, submit to him/her:
 - Inventories of stocks, stores and plant in hand as at the year-end.
 - Inventories of equipment and furnishings in hand as at the appropriate date.
 - Details of sums due to or by the Council and remaining unpaid at the year end.
 - Any other information necessary to close the Council's accounts at the year end.

4. Year-End Final Accounts
Executive Directors shall have a duty to comply with deadlines agreed with the **Head of Finance & Resources** for the completion of the year-end final accounts.

I. INTERNAL AUDIT AND VALUE FOR MONEY

1. Continuous Internal Audit A continuous internal audit, under the independent control and direction of the **Chief Executive** shall be undertaken.
2. Authority of Audit The **Head of Audit, Performance and Strategic Planning** or his/her authorised representatives shall have authority to:
- Enter at all reasonable times any Council premises or land.
 - Have access to all records, documents and correspondence
 - relating to financial and other transactions of the Council.
 - Require and receive such explanations as are necessary
 - concerning any matter under examination.
 - Require any employee of the Council to produce cash, stores,
 - or any other Council property under his/her control.
3. Contract Audit The **Head of Audit, Performance and Strategic Planning**, or his/her authorised representatives, subject to the consent of the Chief Executive, shall have authority to engage the services of professional persons from appropriate Council departments to assist in the examination of contracts under review or investigation by Internal Audit, and such assistance shall be given promptly.
4. Irregularities **No Investigatory work is to be undertaken by any officer of the Council without the express approval of the Chief Executive or, in his absence, the Head of Audit, Performance & Strategic Planning.**
- All Executive Directors and Heads of Service will make arrangements within their own Directorate to ensure that, where it is suspected or known that business irregularities have occurred, for example:**
- misappropriation or embezzlement of monies, materials etc. placed in the employee's charge;
 - intentional distortion of records for any fraudulent purposes;
 - misuse of the Council's ICT infrastructure including information;
- the matter will be reported immediately to them**

or the senior officer nominated by them in order that an investigation can be considered by the Chief Executive.

This includes anonymous allegations and all categories within the Public Interest Disclosure Act 1998.

Such irregularities shall be dealt with in accordance with the Council's Business Irregularity Procedures.

J. CASH IMPRESTS

1. Provision of Imprest
The **Head of Finance & Resources** shall provide such imprest accounts as he/she considers appropriate for such officers of the Council as may need them for the purposes of defraying petty cash and other expenses.
2. Bank Accounts for Imprest Holders
The **Head of Finance & Resources** shall open bank accounts where it is considered appropriate and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the Council's bankers that an imprest holder's account shall not be overdrawn. Bank accounts will not be opened or amended by any officer other than the **Head of Finance & Resources**.
3. Exclusion of Income Collected
No income received on behalf of the Council may be paid into an imprest account but must be banked or paid to the authority as provided in these regulations. Any bank interest earned on imprest accounts will be remitted separately and immediately to the **Head of Finance & Resources** and will not be left in the imprest bank balance.
4. Limit on Expenditure
Payments shall be limited to minor items of expenditure and to such other items as the **Head of Finance & Resources** may approve. Payments shall be supported by a receipted voucher to the extent that the **Head of Finance & Resources** may require.
5. Statement of Account
An officer responsible for an imprest account shall if so requested give to the **Head of Finance & Resources** a certificate as to the state of his imprest account.

6. Termination as Imprest Holder On leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest advance, an officer shall account to the **Head of Finance & Resources** for the amount advanced to him/her.
7. Insurance Cover The **Head of Finance & Resources** will ensure that insurance cover is obtained for all cash imprests and the officers responsible for these.

K. CLAIMS FOR EXPENSES AND ALLOWANCES

1. Arrangements for Claims The **Head of Human Resources & Organisational Development in consultation with the Head of Finance & Resources** shall be responsible for making arrangements for the administration and regulation of claims for expenses and allowances to members and employees of the Council and other approved bodies.
2. Regulations The **Head of Finance & Resources** shall at all times make the current regulations on expenses and allowances available to members.
3. Submission of Claims All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses shall be submitted, duly certified, in a form approved by the **Head of Human Resources & Organisational Development**, to him/her at regular intervals as agreed.
Such payments will not be made out of imprest accounts without the express authority of the **Head of Finance & Resources**. **All such expenses shall as far as practicable be paid via the payroll.**
4. Payment of Claims Payments to members, of claims for expenses and allowances, will be made by the **Head of Finance & Resources** upon receipt of the required information duly completed. All claims for a financial year are to be submitted within one month of 31 March.
5. Certification of Claims The certification of claims shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenditure properly and necessarily incurred and that the allowances are properly payable by the Council.

L. SALARIES, WAGES AND PENSIONS

1. Arrangements for Payments The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Council shall be made by the **Head of Human Resources & Organisational Development** or under arrangements approved and controlled by him/her.

2. Application of National Agreements The **Head of Human Resources & Organisational Development** shall be responsible for the application of all appropriate wages and salary agreements to all employees of the Council.

3. Notification The **Head of Human Resources & Organisational Development** shall be notified as soon as possible, and in an agreed form, of all matters affecting the payment of such emoluments and in particular:
 - Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - Absences from duty for sickness or other reasons, apart from approved leave.
 - Changes in remuneration, pay awards and agreements of general application.
 - Information necessary to maintain records of service for superannuation, income tax and national insurance.

4. Appointments Appointments of all employees shall be made in accordance with the regulations of the Council and the approved establishments, grades and rates of pay.

5. Form and Certification of Records Time records or other pay documents shall be in a form prescribed or approved by the **Head of Human Resources & Organisational Development** and shall be certified by or on behalf of the appropriate Chief Officer. The names of officers authorised to sign such records shall be sent to the **Head of Human Resources & Organisational Development** each Chief Officer together with specimen signatures.

M. GRANTS, CONTRIBUTIONS AND SUBSCRIPTIONS TO OTHER BODIES AND PERSONS

1. Administration and Payment All grants, contributions and subscriptions shall be administered and paid by **Head of Finance & Resources**, under delegated powers, and in consultation with the **Corporate & Efficient Governance Committee**. **Community Chest grants will be administered and paid by the Community Volunteer Service and reported in detail to the Corporate & Efficient Governance Committee once a year.**

2. Applications All applications for grants and subscriptions shall be accompanied, where appropriate by the accounts and other relevant information of the organisation, and the **Head of Finance & Resources** may be asked to report thereon.

N. CAPITAL, REVENUE AND RENEWAL FUNDS

1. Policy for Administration The Council shall determine the policy on the administration of these funds.

2. Council consideration The Council, at the consideration of the budget, shall take into account the allocation of resources, and the policy on such funds.

O. SECURITY

1. Responsibility for Security Each **Executive** Director is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc., under his/her control. He/she shall consult the **Head of Finance & Resources** in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Regular review of such security arrangements shall be carried out by the director.

2. Limits to Cash Holdings Maximum limits for cash holdings shall be agreed with the **Head of Finance & Resources** and shall not be exceeded without his/her express permission.

3. Safe Keys Keys to safes and similar receptacles are to be securely held by those responsible for them at all times. The loss of any such keys must be reported immediately to the **Head of Finance & Resources**. A register of all such keyholders will be kept in each department.

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| 4. Computer Security | The Head of Finance & Resources is responsible for maintaining proper security and privacy as regards information held in the computer installations or for their use and each Executive Director is responsible for information held in departments. |
| 5. Pre-printed/Pre-signed Cheques etc. | The Head of Finance & Resources shall be responsible for ensuring that secure arrangements exist for pre-printed/pre-signed cheques, stock certificates, bonds and deeds etc. |

P. INSURANCE

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| 1. Head of Finance & Resources Responsible for Insurance | Subject to the general supervision of the Council, the Head of Finance & Resources will effect and maintain adequate insurance cover for all of the Council's activities. He/she will also negotiate insurance claims, in consultation with other directors, where necessary. |
| 2. Notification of Risks | Executive Directors will give prompt notification to the Head of Finance & Resources of all new and increased risks, properties, or vehicles or of any deletions affecting their department or services. |
| 3. Notification of Claims | Executive Directors will immediately notify the Head of Finance & Resources in writing of any loss, liability or damage or any event likely to lead to a claim. |
| 4. Fidelity Guarantee Insurance | All appropriate employees of the Council will be covered by fidelity guarantee insurance. |
| 5. Review of Insurance Cover | The Head of Finance & Resources will periodically review all insurances in consultation with other directors as appropriate. |

Q. CONTRACTS FOR WORKS, ETC.

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| 1. Contract Register | Each director shall maintain, in a form to be prescribed by the Head of Finance & Resources , a financial record of all contracts and shall make available such record to the Head of Finance & Resources as and when required. |
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2. Reports to Committee on Variations, Etc.

The appropriate **Executive Director** will be responsible for providing reports to the appropriate Committee on major variations to a contract and progress position on contracts. All instructions to contractors on capital works and major revenue projects shall be issued by the responsible engineer or architect using the appropriate official variation order or architect's instruction procedure for the type of contract in use.
3. Interim Payment

Interim payments to contractors shall be certified by the authorised officers responsible for the control and supervision of the works.
4. Final Measurements and Accounts

On the completion of a contract the authorising officer shall issue a Final Certificate and shall send the relevant copy to the **Head of Finance & Resources**. Payment of the Final Certificate shall be made by the **Head of Finance & Resources**. Where the Final Certificate is in excess of the contract sum, the **Head of Finance & Resources** may refer it to the Council, or spending Committee if appropriate, prior to payment being made.
5. Accuracy of Final Accounts

The **Head of Finance & Resources** shall, if he/she considers it necessary, examine final accounts for contracts, request detailed statements and shall be entitled to make all such enquiries and receive such information and explanations as he/she may require in order to satisfy himself as to the accuracy of the accounts.
6. Claims Outwith Contract

Claims from contractors, in respect of matters not clearly within the terms of an existing contract, shall be referred to the **Head of Democratic, Legal and Regulatory Services** for consideration of the Council's legal liability and, when necessary, to the **Head of Finance & Resources** for financial consideration before a settlement is reached.
7. Pecuniary Interest of Members or Officers

Where a Member or official involved in a contract has a pecuniary interest in that contract, he/she must declare that interest and abide by the provisions of the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Councillor's Code of Conduct and any guidance made thereunder and the Council Code of Conduct for Officials.

R. COMPLIANCE OF MEMBERS AND OFFICERS

1. Members' Code
All Members shall observe and comply with the Councillor's Code of Conduct issued by the Scottish Ministers in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000 and any guidance made thereunder
2. Officers' Code
All officers shall observe and comply with the Council Code of Conduct for Officials
3. Scheme of Delegation
Officers shall only exercise such functions and powers as are delegated to them by Council or Committee or under the Scheme of Delegation.
4. Other Regulations
All members and officers will comply with the undernoted regulations in conjunction with these financial regulations:
 - Council Standing Orders including Contract Standing Orders
 - Council Treasury Policy Statement
 - Member/Officer Protocol
 - **Anti Fraud & Corruption Strategy**
 - **Business Irregularity Procedures**

S. OBSERVANCE OF FINANCIAL REGULATIONS

1. Responsibility of **Executive Directors**
It shall be the duty of each **Executive Director** to ensure that these Regulations are made known to the appropriate persons within his/her department and to ensure that they are adhered to.
2. Breach of Regulations
Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the **Executive Director of Corporate Services** who will discuss the matter with the Chief Executive and/or such other director as may be appropriate in order to determine the proper action to be taken.

T. REVIEW OF FINANCIAL REGULATIONS

1. Review of Financial Regulations

The **Executive Director of Corporate Services** shall review the Financial Regulations as circumstances demand, and submit proposals for alterations to the Council for approval.