

# MORAY COUNCIL

## FINANCIAL REGULATIONS



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# FINANCIAL REGULATIONS

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PROCEDURES/GUIDANCE NOTES

# **1. GENERAL AND INTERPRETATION**

- 1.1 Moray Council makes the following Regulations for the proper administration of the Council's financial affairs, including the Housing Revenue Account.
- 1.2 In these Regulations, unless the context requires otherwise, the following expressions shall have the meanings respectively assigned to them, that is to say: -
- **"COUNCIL" MEANS MORAY COUNCIL INCORPORATED UNDER THE LOCAL GOVERNMENT ETC. (SCOTLAND) ACT 1994.**
  - "Committee" means all the Committees of the Council, including Sub-Committees.
  - "Chief Financial Officer" means the person designated by the Council for the purpose of Section 95 of the Local Government (Scotland) Act 1973.
  - "Chief Officer" means a statutory or non statutory Chief Officer as defined in Section 2 of the Local Government and Housing Act 1989 and as identified in [Appendix 1](#) of these Regulations.
- 1.2 In terms of the Health and Social Care Integration Scheme for Moray the Chief Officer of the Integration Joint Board has an operational oversight role in the delivery of integrated services that the Council has been directed by the Moray Integrated Joint Board (MIJB) to deliver. The Chief Financial Officer (MIJB) is the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973. This is recognised by the inclusion of these posts in Appendix 1. This does not, however, affect the applicability of these regulations to Council staff who may be working to deliver those integrated services in implementation of directions received by the Council.
- 1.3 **The MIJB oversees the delivery of integrated services that the Council has been directed by the MIJB to deliver. These financial regulations are fully applicable to Council staff who are working to deliver integrated services under the direction of the MIJB. In the delivery of integrated services, staff employed by NHS Grampian maybe required to comply with the Council Financial Regulations. Similarly, Council staff may be required to comply with the Financial Regulations of NHS Grampian. Employees of NHS Grampian may be appointed as officers of the Council for the specifically described purpose of delivering integrated services, and as such will be required to comply with Moray Council Financial Regulations.**
- 1.4 These Regulations are made in terms of Section 95 of the Local Government (Scotland) Act 1973 which requires every local authority to make arrangements for the proper administration of its financial affairs, and to secure that the proper officer of the Council has responsibility for those affairs. The Chief Financial Officer has been designated as "the proper officer" and shall be responsible for advising the Council on financial matters.

- 1.5 It shall be the duty of the Chief Financial Officer to ensure that Chief Officers maintain adequate financial and accounting arrangements. Chief Officers must comply with all guidance on accounting and related matters issued by the Chief Financial Officer and no accounting arrangements shall be introduced, discontinued or amended without the prior agreement of the Chief Financial Officer.
- 1.6 Each Chief Officer shall ensure that proper internal controls are developed and maintained within financial and other operating systems of their Services. These controls shall be subject to review from time to time as part of the audit process, but day to day monitoring of the adequacy and effectiveness of the control environment is the responsibility of the Chief Officer concerned.
- 1.7 Chief Officers shall be responsible for ensuring that these Financial Regulations are complied with in respect of matters falling within their jurisdiction and that all officers with responsibility for financial matters within their Services are aware of them.
- 1.8 All Budget Managers shall be required to confirm their awareness of and adherence to these Regulations by certification of a declaration to that effect, either at three yearly intervals or, for newly appointed managers, on completion of their budget manager training.
- 1.9 Any breach or non compliance with these regulations must, on discovery be reported immediately to the Chief Financial Officer. The Chief Financial Officer may consult other relevant officers, including the Chief Executive, in order to determine the appropriate action. Deliberate failure to observe the Financial Regulations may lead to disciplinary action being taken against the Officer responsible up to and including dismissal.
- 1.10 It is a requirement of these Regulations that financial transactions do not take place unless they fall within the legal powers of the Council and are within the limits set by the Council. Where new service developments or contributions to other organisations arise or in cases of doubt, clarification as to legality must be obtained from Accountancy before any liability or expenditure is incurred.
- 1.11 The financial affairs of the Council shall at all times be conducted in accordance with the Code of Conduct for Employees, whose principles are:-
- **Selflessness:** You should not take decisions, which will result in any financial or other benefit to yourself, your family, or your friends. Decisions should be based solely on the public and Council's best interests.
  - **Integrity:** You should not place yourself under any financial or other obligation to any individual or organisation, which might reasonably be thought to influence you in your work for the Council.
  - **Objectivity:** Any decisions which you take in the course of your work for the Council must be based solely on merit, including making appointments, awarding contracts, or recommending individuals for rewards or benefits.

- **Accountability:** You are accountable for your decisions and actions to the Council as your employer. The Council, in turn, is accountable to the public.
- **Openness:** You should be as open as possible in all the decisions and actions that you take. You should give reasons for decisions and should not restrict information unless this is clearly required by Council policy, by the law or when public interest demands.
- **Honesty:** You have a duty to act honestly. You must declare any private interests relating to or which might affect your work with the Council.
- **Leadership:** If you are in a managerial position, you must promote and support these principles by leadership and example to maintain and strengthen the trust and confidence in the integrity of the Council and its employees.
- **Respect:** You must respect all other Council employees, Councillors, users of Council services and partner providers and treat them with courtesy at all times.

1.12 All terms in these Regulations should be considered generic.

## **2. FINANCIAL PLANNING**

- 2.1 The Council maintains a financial plan incorporating the Revenue Budget and the Capital Plan. The Council with its Community Planning Partners has developed a 10 year Local Outcome Improvement Plan (LOIP), linked to the Council's 4 year Corporate Plan, which will be continually updated. The Financial Plan will be aligned to the Corporate Plan.
- 2.2 Options Appraisal is a key element of effective financial planning and shall be applied as appropriate to both revenue and capital projects where the scale of the proposals is deemed to have an impact on corporate priorities, on service delivery or on the finances of the Council.

### **REVENUE BUDGET**

- 2.3 The detailed form and timetable to be followed in respect of the Revenue Budget shall be determined by the Chief Financial Officer, subject to any direction of the ~~Policy and Resources~~ **Corporate** Committee or the Moray Council, and after such consultations with Chief Officers as may be necessary.
- 2.4 Estimates of income and expenditure on the Revenue Account shall be prepared by the Chief Financial Officer in conjunction with each Chief Officer, and be submitted to a special meeting of the Council. These estimates, when approved by the Council, shall constitute the Revenue Budget for the agreed period.

- 2.5 The appropriate Service Committees and the Chief Financial Officer shall be entitled to receive from any Chief Officer such clarification as is deemed necessary on any item of income or expenditure.
- 2.6 The inclusion of items in the approved Revenue Budget shall constitute authority for the appropriate Chief Officer to incur such expenditure in the year concerned, subject to:-
- (i) the Council's Standing Orders and these Financial Regulations; and
  - (ii) any prior reporting requirements of the appropriate Committee.
- 2.7 The Chief Financial Officer shall provide budget managers with financial statements of income and expenditure (including commitments as recorded on the financial management system), compared with the approved budget on a monthly basis, commencing after the 31<sup>st</sup> May, and budget managers can receive any clarification deemed necessary on any item of expenditure or income.
- 2.8 The responsibility for ensuring that the revenue budget provisions are not exceeded shall rest with the Chief Officer concerned, except that this responsibility shall not extend to charges allocated directly to service budgets by the Chief Financial Officer.
- 2.9 Chief Officers wishing to vire monies (i.e. move monies from one budget to another) shall consult on any such proposals with the Chief Financial Officer or such other officer as may be nominated by the Chief Financial Officer relative to that budget.
- 2.10 If it appears that expenditure under any budget head as disclosed in the revenue budget may be exceeded or that an income estimate may not be achieved, the Chief Officer, after consultation with the Chief Financial Officer, shall report fully to the Service Committee concerned. In the event that the Service Committee is unable to find the amount required elsewhere in its Budget, the matter shall be referred to the Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000 (for revenue) for consideration
- 2.11 The Council establishes Budgets for Services annually - the definition of Services is as follows:
- ~~Education & Integrated Children's Services~~ **Education Services**
  - Education, Resources and Communities Services**
  - Health and Social Care (not delegated to the Integration Joint Board)
  - General Services Housing and Property Service
  - Housing Revenue Account
  - ~~Direct~~ **Environmental and Commercial Services**
  - ~~Development~~ **Economic Growth and Development Services**

## ~~Corporate Services~~

### Governance, Strategy and Performance

### HR, ICT and Organisational Development

### Financial Services

#### Chief Executive

The Moray Integration Joint Board is responsible for the budget identified for it annually in line with the provisions of the Health and Social Care Integration Scheme for Moray.

The ~~Communities Housing and Community Safety~~ Committee has delegated authority for monitoring the Housing Revenue Account budget.

Service Committees are responsible for defining activities within a service. Service Committees have delegated authority to change budget allocations between activities within a service, subject to confirmation that Council priorities, policies and statutory requirements will continue to be met.

~~Corporate Directors~~ ~~Depute Chief Executives~~ have delegated authority to direct resources allocated by Service Committees within each activity to the most efficient and appropriate method of delivering the defined activity to meet Council priorities, policies and statutory requirements.

- 2.12 Head Teachers are constrained as to their powers of virement as set out in the scheme of Devolved School Management.
- 2.13 Any **new** proposal that would involve incurring **additional** revenue expenditure which is not allowed for in the Revenue Budget shall be reported to the Corporate Management Team (CMT) ~~and Administration Group (and or other relevant Councillors as appropriate group)~~ before being considered by the relevant Service Committee. The report shall incorporate any guidance provided by CMT and by the Chief Financial Officer; give reasons why the additional funding is necessary, and where appropriate, make proposals for virement. Should virement not be possible, details of the proposal must be referred for the consideration and approval of ~~the Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000 (for revenue).~~
- 2.14 A quarterly Revenue Budget Monitoring Report shall be produced by the Chief Financial Officer and submitted to the ~~Policy and Resources Corporate Committee~~ **or to Full Council depending on the timing of the committee cycle.** At similar intervals, Chief Officers shall submit budget monitoring reports for their services, in a format agreed with the Chief Financial Officer, to the relevant Service Committee.
- 2.15 A file containing the Revenue Budget Monitoring Reports shall be made available on the Members' Portal and be updated monthly. Members shall be



entitled to seek explanations for any figure in the monitoring statements and, if necessary, may refer any matter to the relevant Service Committee.

- 2.16 Additional revenue funding obtained from the Scottish Government or other bodies for specific purposes shall be subject to these Financial Regulations and the Council shall be given the opportunity to consider the risks and options associated with these funding streams. In these cases the Service Committee has delegated responsibility for expenditure in relation to the funding. Where a funding stream is cross - cutting or from a redetermination of General Revenue Grant by the Scottish Government, then information shall be provided to ~~Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000 (for revenue)~~ to decide the relevant allocations to Service Committees.

## **CAPITAL PLAN**

- 2.17 The production of the Capital Plan is co-ordinated annually by the Chief Financial Officer. The Capital Plan is linked to other Council Plans as described in the Council's Capital Strategy and thereafter is underpinned by asset management principles and reflects the Council's approved standards for its asset bases. The asset management planning arrangements are described in Section 5 of these regulations.
- 2.18 The Asset Management Working Group (AMWG) is responsible for reviewing all General Services capital plan proposals from each department and assessing the adequacy of asset management plans to support the proposals ~~where these are driven by asset management considerations~~. Where the asset management planning arrangements are insufficient for this purpose, supporting documentation as requested by the AMWG will be prepared for each proposal.
- 2.19 Any new stand-alone projects proposed for inclusion within the Capital Plan will be subject to an ~~appropriate~~ Gateway process, ~~as set out in the Council's Project Management Framework~~. ~~The AMWG control the Gateway process and recommendations are made to members following a Gateway review~~. Such proposals will only be considered as part of the normal financial planning process, other than spend to save proposals which may be submitted ~~to the AMWG~~ at any stage in the financial cycle.
- 2.20 Following consideration by the AMWG information relative to projects due to proceed in the year shall be made available to all Members. The composite Capital Plan, for all General Services functions, shall then be considered for approval by the Council. Housing Plans are developed in a separate process. The Housing Investments Capital Plan (the Capital Plan for Housing) shall be ~~considered by the Communities Committee, and then~~ approved by the Council ~~when the levels of rents for the financial year are set~~.
- 2.21 The Council will review the composite Capital Plan on three occasions in each financial year: prior to the Revenue Budget being set, in order that loans charges for the period of the Revenue Budget may be calculated; when the

results for the prior financial year are available and capital carry forwards are being considered, and in the second half of the year at the same time as the estimated actuals are reported to Committee (and will include any amendments relating to developer contributions/obligations). On each occasion the Capital Plan will be reported to a meeting of the Council (or ~~Policy and Resources Corporate~~ Committee for estimated actuals). Service Committees cannot consider suggested additions to the Capital Plan unless fully funded by specific grant, and no addition to the Capital Plan will be considered in isolation, unless – exceptionally – a Spend-to-Save proposal where a good case can be made for consideration outwith the normal planning cycle or grant funding is made available by the Scottish Government for specific projects **or in response to an unforeseen emergency or other time-critical matter.**

- 2.22 The composite plan covers a ten year period. A profile of expenditure, analysed into quarters for the first year of the plan and (if any expenditure is to be incurred in later years) by year thereafter should be submitted to the relevant Service Committee, following approval of the Capital Plan by the Council, when permission to spend on the capital programme is sought. No expenditure should be incurred without specific Committee authority. Quarterly monitoring, amendments **within the approved plan and any** ~~or~~ re-profiling are approved by ~~Policy & Resources Corporate~~ Committee **or the Council.**
- 2.23 It shall be the responsibility of each Chief Officer to ensure that approved projects proceed in a timely manner and that expenditure is incurred during the relevant financial year. In the event that projects cannot proceed or are unlikely to be completed within the timescales approved by the relevant Committee, Chief Officers must report to the Chief Financial Officer ~~in writing~~ giving the reasons for and the extent of any delays. This shall facilitate the monitoring of capital expenditure and allow projects to be re-prioritised where appropriate.
- 2.24 Where it appears that the actual cost of any project or group of projects included in the Capital Plan is likely to exceed the estimated cost, it shall be the duty of the Chief Officer concerned, after consultation with the Chief Financial Officer, to seek instructions as detailed below, as soon as possible:-
- Where officers are able to identify modifications or virements, to a project or group of projects to contain costs within the approved funding allocation a report should be provided to the relevant Service Committee, if the modifications have a material effect on the project
  - For reprofiling or any changes in costs, a report should be provided to ~~Policy & Resources Corporate~~ Committee **or the Council**
  - For any amendments relating to Housing Projects then a report should be provided to ~~Communities the Housing and Community Safety~~ Committee
- 2.25 The Chief Financial Officer shall report regularly to the ~~Policy and Resources Corporate Committee or the Council~~ and the Head of Housing and Property Services shall report regularly to the ~~Communities Housing and Community Safety~~ Committee on the monitoring of capital expenditure as compared with

the agreed Capital Plan and the appropriate Chief Officer shall report on progress of all current capital projects at quarterly intervals to the appropriate Service Committee.

### **3. EXPENDITURE**

#### **AUTHORITY TO INCUR EXPENDITURE**

- 3.1 Each Chief Officer shall have authority to incur expenditure included in the approved Revenue Budget for the service(s) for which they are responsible, up to the level of the budget provision, subject to 3.2 below.
- 3.2 A Chief Officer may devolve administration of expenditure to authorised staff in terms of the Council's Authorisation Policy, but the Chief Officer shall normally retain ultimate responsibility for the related budgets. The Authorisation Policy shall also apply within Schools notwithstanding that Head Teachers shall be responsible for budgets transferred in terms of the Devolved School Management arrangements. The Authorisation Policy determines who is allowed to procure on behalf of the Council.
- 3.3 Any authority to incur expenditure shall not extend to making payments in advance of delivery of goods or services or completion of works **or approved stages of works** unless prior permission is obtained in writing from the Chief Financial Officer. A list of exceptions is as follows: **any payment upfront enabled by legislation**, insurance premiums, software licences, water rates and subscriptions. Any advance payment not on the list requires Chief Financial Officer authorisation and a record of such items will be maintained in the Payments Section. If there is any doubt please contact the Payments section for advice.
- 3.4 Where the need for expenditure for which there is no budgetary provision arises from emergency situations, the Head of Service should consult with the Chief Financial Officer.

#### **STAFF PAYMENTS AND ALLOWANCES**

- 3.5 With the general exception of pensions to former employees, the payment of salaries, wages and other emoluments to all employees of the Council shall be made by the ~~Chief Financial Officer~~ **Head of HR, ICT and Organisational Development**.
- 3.6 Appointments of all employees shall be made in accordance with the Regulations of the Council, and the approved establishments, grades and rates of pay. Staff shall normally be appointed to the first incremental point of the salary scale for the post, taking account of the experience of the applicant where the Conditions of Service so require, except where the relevant Chief Officer considers it appropriate to do otherwise, in consultation with the Head of HR, ICT and Organisational Development.
- 3.7 Alterations to rates of wages and salaries and to conditions of service of staff agreed by the relevant national negotiating bodies shall be applied from the effective date specified, subject to reference to the Council of any matter in which there is a discretion.

3.8 Chief Officers shall have delegated authority to direct resources allocated by Service Committees within each Activity to the most efficient and appropriate method of delivering the defined Activity to meet Council Priorities, Policies and Statutory Requirements. It follows that the Chief Officers shall have the authority to establish appropriate staffing arrangements to deliver services specified by Service Committee.

Limitations in respect of changes to staffing arrangements will be as follows:-

- Must **NOT** exceed budget.
- Must comply with Council Policy and Procedure (particular reference is made to adherence to consultation arrangements with Staff and Unions).
- The following posts must be submitted to the Council:-
  - a) Alterations to the establishment, whether by way of increase or decrease, of posts graded on or above SCP (92) 39 (Grade 12).
  - b) Those posts which cannot be accommodated within existing budgets.
  - c) Those which HR or Finance otherwise believe require scrutiny by members.
- Any changes that do not require approval by Committee as mentioned above will be subject to approval of the Head of HR, ICT and Organisational Development and the Chief Financial Officer, or other such officers as may be nominated by the Chief Financial Officer relative to that budget.

3.9 Each Chief Officer shall ensure that the ~~Chief Financial Officer~~ **Head of HR, ICT and Organisation Development** is informed as soon as possible, and upon the prescribed form, of all matters affecting the payment of salaries and wages and, in particular :-

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records of service for superannuation, income tax, etc.

3.10 All individuals employed by the Council under a contract of service shall be paid through the payroll system to ensure proper accounting for Income Tax and National Insurance is made.

3.11 All time records or other pay documents shall be in a form prescribed or approved by the ~~Chief Financial Officer~~ **Head of HR, ICT and Organisational Development**, and shall be certified by or on behalf of the appropriate Chief Officer by an authorised officer, in terms of the Council's Authorisation Policy and returned timeously to Chief Financial Officer. The certifying officer must be satisfied that the claim is accurate, as failure to do so will impact on the employee being paid correctly and also ensure that:-

- employee information including employee payroll number, is accurate.
- hours claimed have been worked.
- where applicable, allowances and overtime have been correctly calculated.
- summations are correct.
- the payment relates to the appropriate terms and conditions.

An individual is not permitted to authorise a change in their own pay, expenses, allowances or other remuneration and this must be authorised by an authorised signatory who is senior to them.

3.12 **It is the responsibility of the Head of HR, ICT and Organisational Development to ensure that** staffing establishment lists **are** ~~will be~~ sent to all Budget Managers regularly as determined appropriate. These- should be checked for accuracy and any issues surrounding them should be notified immediately to the payroll section.

## **TRAVEL AND SUBSISTENCE ALLOWANCES**

3.13 The Council's Travel and Subsistence policy sets out the options for employee travel. The Council's pool car scheme has been established for business journeys in Moray and applies to all employees. However, there may be groups of staff at some work locations where it is deemed financially inefficient or unfeasible to give access to pool cars. In such circumstances appropriate travel arrangements will apply, subject to approval by an authorised signatory in terms of the Council's Authorisation policy.

3.14 All payments in respect of staff travel and subsistence allowances shall be at rates determined by the Council from time to time, and in accordance with the Scheme for Payment of Travel and Subsistence Allowances.

3.15 All claims for payment of ~~car allowances~~, subsistence allowances, travel and incidental expenses shall be submitted in a form approved by the **Head of HR, ICT and Organisational Development**~~Chief Financial Officer~~. All claim forms shall be signed by an authorised signatory in terms of the Council's Authorisation Policy.

3.16 The certification by, or on behalf of, the Chief Officer shall be taken to mean that the Certifying Officer is satisfied that the journeys have been efficiently planned and authorised, the expenses properly incurred and that the

allowances are properly payable by the Council, including assurance that where pool car usage has not been utilised there is sufficient explanation.

- 3.17 Claim forms, other than those relating to journeys made by the Chief Executive, must always be authorised for payment by an Officer senior to the claimant. The claims submitted by the Chief Executive must be counter-signed by ~~the Corporate Director (Corporate Services)~~ **a Depute Chief Executive**.
- 3.18 Requests by staff to travel out with the United Kingdom on Council business where costs require to be met from Council budgets must be considered and approved by the relevant Service Committee, prior to the journey taking place. Once approved, **the Chief Officer of the service concerned must ensure that notification is required to** the Banking & Insurance section **is notified** for insurance purposes to ensure adequate cover is provided. Except in cases where a spouse or partner forms part of an approved group or delegation, their full travel costs and additional costs shall not be met by the Council. Any other arrangements shall be reported in advance and be approved by the Chief Financial Officer.

## **ACQUISITION OF GOODS, SERVICES OR WORKS**

- 3.19 The Council's arrangements for securing goods, services (including the use of Consultants) or works are set out in the separate Procurement Policy, Annual Strategy and Procedure Notes that form part of, and should be read in conjunction with, these Financial Regulations and Authorisation Policy.
- 3.20 Any irregularities or suspected irregularities should be notified to the Internal Audit **and Risk** Manager, under the Combat Fraud, Theft, Bribery and Corruption Policy (see [paragraph 9.4](#)).
- 3.21 Where the Council 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 Chief Officer 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;
  - an agreement which governs the relationship between the parties is in place, which includes reference to funding, performance monitoring and dissolution arrangements.
- 3.22 The Council will use the most efficient vehicle for the sourcing of goods, services or works, including internal store systems and Payments section (buying team), in accordance with the procurement guidance, which will assist users in the correct route to take for proposed purchases.

- 3.23 Sourcing of goods, service or works **governed by the Procurement Procedures** direct from a single supplier shall be permissible only where prior approval is sought and obtained from the Chief Financial Officer, the Chief Officer concerned having clearly demonstrated **to the Procurement team** that it is appropriate to do so. **The Procurement team will keep a record of all approved single supplier approaches.**
- 3.24 In circumstances where it is considered necessary to depart from the procedures in [3.19 to 3.23](#) above, the Chief Officer in liaison with Chief Financial Officer shall submit a report to ~~Policy & Resources~~ **Corporate** Committee for approval, ensuring that Members are made aware of any associated risks.

## **GRANTS AND OTHER PAYMENTS**

- 3.25 Chief Officers with the approval of the Chief Financial Officer or relevant Service Committee (as appropriate depending on the procurement levels) may make grant payments and grant offers to external parties provided such funding can be met from within approved budgets and are authorised in line with the Authorisation Policy. ~~In doing so, a Chief Officer shall make conditions as are appropriate and proportionate in terms of obtaining assurance that funding has been applied for the purposes intended.~~ All such payments are subject to the Council's Grant Policy.
- 3.26 In circumstances where an external party makes a request for funding for any matter in which there is discretion, a Chief Officer may refer that matter ~~to Policy and Resources Committee for matters under £50,000 and~~ to the Council, ~~for matters exceeding £50,000 (for revenue)~~ for consideration.
- 3.27 Other Payments include transfer payments which are made to individuals for which no goods or services or works are received in return by the Council. In the main these cover the payment of Housing Benefits, Housing Improvement Grants, Self Directed Support (Option 1 Direct payments and Option 2 payment to an Independent Service Fund) and individual allowances for Social Care clients. These payments shall be met from within approved budgets only after completion of a formal assessment process in each case.
- 3.28 Payments made routinely to statutory agencies covering remittances of income tax, national insurance, pension contributions and remittances to the Non Domestic Rates pool and any such similar payments shall be supported by detailed reports and be authorised by the Chief Financial Officer or an officer nominated by the Chief Financial Officer.

## **DEVELOPER OBLIGATIONS/CONTRIBUTIONS**

- 3.29 Developer Obligations are received by the Council to be utilised for a wide variety of purposes, both capital and revenue expenditure. Contributions received vary in the terms and conditions applicable to their future use by the Council.



- 3.30 Where the terms of a contribution specifically identify the intended purpose, no additional reporting to Committee is required. Capital budgets can be amended in line with the capital plan detailed in [para 2.21](#). Revenue budgets can be amended throughout the year to match the expenditure incurred.
- 3.31 Where the terms of a contribution are simply generic and do not specify a particular location or property, the following is required:
- Where a contribution is below £6,000 and meets the terms and conditions of the legal agreement or developer obligations assessment report, approval by the relevant Head of Service is required.
  - Where contributions relate to Libraries, Community facilities, playing fields and indoor and outdoor sport facilities, the Head of **Economic Growth and Development** services has delegated authority to authorise with the support of the majority of the relevant ward Councillors, if it meets the terms and conditions of the legal agreement.
  - Where the legal agreement identifies no particular terms for utilisation, any potential options for utilising should be referred to ~~Policy and Resources Committee for matters under £50,000 and to the Council, for matters exceeding £50,000 (for revenue)~~ for consideration.
  - **Developer contributions can be time limited and are to be closely monitored to ensure spend has been incurred or returned to the developer.**
- 3.32 Where a Council Service makes a request for using developer contributions, a notification form should be completed and sent to the Developer Obligations Officer for consideration.
- 3.33 Where an external party (e.g. community group) makes a request for using contributions, an application should be completed and sent to the Developer Obligations Officer for consideration.

## **FUNDING EXTERNAL BODIES (Arms Length External Organisation)**

- 3.34 The Council has adopted the principles of the COSLA / Accounts Commission 'Code of Guidance on Funding External Bodies and Following the Public Pound'. The Code sets out a framework for the Council's relationships with bodies through which they seek to carry out some of their functions other than on a straight-forward contractual basis.
- 3.35 The principles of the guidance apply to companies and other bodies such as trusts where such bodies are subject to Council control or influence and where they operate at arm's length. When agreeing to transfer funds to an external body **to provide a service on its behalf**, the Council must be clear about its reasons for doing so and these reasons should be related to a strategy or policy of the Council.
- 3.36 In respect of any proposed transfers the procurement arrangements at

[paragraph 3.23](#) above shall apply, together with the provisions of the Code which as a minimum requires:

- the purposes of the transfer to be contained in any Council decision to establish a funding relationship.
- a written agreement between the Council and the external body.
- details of the financial regime applicable to be specified.
- established **reporting and** monitoring arrangements to ensure Council objectives are met **and Best Value achieved**.
- full consideration of member and officer representation on the board of the external body.
- any limitations to be fully specified covering such matters as financial inputs and circumstances in which any arrangements would be terminated.
- any arrangement to be open to external audit scrutiny.
- ~~any reporting/ monitoring arrangements.~~

## **PETTY CASH IMPRESTS**

- 3.37 The Chief Financial Officer shall provide such imprests as the Chief Financial Officer considers appropriate for those Officers of the Council who may need them for the purposes of defraying petty cash and other expenses.
- 3.38 No income received on behalf of the Council may be paid into an imprest account, but must be banked or paid to the Council as provided for in terms of [paragraph 4.7](#) below.
- 3.39 Payments from an imprest account shall be limited to minor items of expenditure and to such other items as the Chief Financial Officer may approve, and shall be supported by a receipted voucher to the extent that the Chief Financial Officer may require.
- 3.40 On no account shall any allowances or incidental expenses or subsistence payments be paid to staff from an imprest account, but shall be reclaimed through the travel and subsistence scheme in terms of paragraph 3.14 above.
- 3.41 Officers are assigned responsibility for the petty cash account which they hold. On leaving the employment of the Council they shall be required to reconcile the petty cash account in conjunction with their line manager and the Budget Manager prior to leaving their post. This shall also apply to officers who transfer to other sections within the Council.

## 4. INCOME

- 4.1 The collection of all monies due to the Council shall be under the **ultimate** supervision of the Chief Financial Officer.
- 4.2 Chief Officers should not promote or accept payment by cash when alternative payment methods are available. Regardless of the method used all payments shall be handled strictly in accordance with these Regulations, the Handling Guidance and the Anti Money Laundering Policy.
- 4.3 Income due to the Council, for work done, goods supplied or services provided and not paid for **in advance or** at the time, must be the subject of accounts being rendered. Chief Officers must ensure preparation and issue of such accounts within one month of the agreed point of sale, and shall provide the Chief Financial Officer with such information as may be required in order to record and collect the amounts correctly.
- 4.4 In rendering invoices, Chief Officers shall ensure Value Added Tax is applied at the appropriate rate. This is of importance in order to comply with statutory provisions and avoid the payment of penalties. Transactions involving joint ventures and land sales can be particularly complex, and in all such cases, advice shall be obtained from the Chief Financial Officer before proceeding.
- 4.5 The Chief Financial Officer shall be notified as soon as is practicable of all monies due to the Council and of all contracts, leases and other arrangements entered into which involve the receipt of money by the Council, and the Chief Financial Officer shall have the right to inspect any documents in this connection. In order to limit the Council's exposure to money laundering, cash (notes and coins) exceeding ~~£500~~ **£300** in respect of any one transaction shall not be accepted.
- 4.6 All receipt forms, books, tickets and other such items shall be designed, ordered, supplied and obtained subject to consultation with and approval of the Chief Financial Officer. No Officer shall give a receipt on behalf of the Council on any form other than an official receipt form or ticket. Each Chief Officer shall arrange for registers to be kept of receipt forms, tickets, vouchers etc. under their control.
- 4.7 Any Officer receiving money on behalf of the Council shall, without delay ensures that the payment is processed, including paying direct in to the Council's Bank account. No deduction may be made from such money save to the extent that the Chief Financial Officer may specifically authorise. Each Officer who receives money shall complete a corresponding income analysis sheet and forward it together with the bank pay-in slip counterfoil to the FMS and Banking section within the Payments section.

- 4.8 All offices or establishments receiving income by post shall secure appropriate mail opening procedures, involving clear separation of duties wherever possible. All cheques and postal orders received shall be suitably "crossed" and a reference number recorded on the reverse side. A record of all payments received should be kept by the receiving office or establishment.
- 4.9 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 4.10 Every transfer of official cash from one member of staff to another shall be evidenced in the records of the Department concerned by the signature of the Officer receiving the funds. Arrangements shall be developed at each office to secure all income collected on behalf of the Council until such time as these funds are banked.
- 4.11 Not less frequently than once per year, scales of charges or tariffs (discretionary, not fixed by Statute and excluding Council House Rents) shall be reviewed by Chief Officers corporately in consultation with the Chief Financial Officer and in accordance with the Council's Charging Policy, and reported to ~~Policy & Resources~~ **the Corporate** Committee in time for implementation for the future financial year. **Any new charges proposed during a financial year may be reported to the appropriate Service Committee for approval, if not reported to Corporate Committee or the Council as part of a financial planning report.**
- 4.12 Not less frequently than once per year, Council House, Garage and Garage Site Rents shall be reviewed by ~~Chief Officers~~ **the Head of Housing and Property**, consulted on with tenants and reported to a meeting of Moray Council in time for implementation for the future financial year.
- 4.13 The Chief Financial Officer shall maintain a debt management **policy and procedures** to secure effective recovery of all sums due to the Council. This procedure shall be applied for the recovery of Housing Rent Arrears and unpaid invoice charges for work done or services provided by the Council. No debt due to the Council, once correctly established, shall be discharged otherwise than by payment in full or by the certification of the Chief Financial Officer that it is no longer economically viable to pursue.
- 4.14 The Chief Financial Officer shall act on advice from the Head of Governance, Strategy & Performance, external debt collectors and/or Sheriff Officers when determining debts to be written off for accounting purposes. Details of debts written off in terms of this Regulation shall be retained for credit control purposes and to allow the debts to be pursued at any stage until they become time proscribed.

## GRANT FUNDING APPLICATIONS

### 4.15 All applications for grant funding are subject to the Council's Grants Policy.

~~Where opportunities arise to attract external funding, relevant officers shall consider the remit and regulations or conditions surrounding the funding to ensure such conditions are compatible with the aims and objectives of the Council and that the funding is consistent with the Council's overall plan.~~

~~4.16 All grant funding to be secured by the Council from external bodies is required to go through the Gateway process by completion of a project mandate. If the funding is approved, then for matters under £50,000 approval is required from the Chief Financial Officer and for matters exceeding £50,000 to Full council, to ensure financial implications or match funding requirements are considered.~~

~~4.17 Any amendments required to grant claims/ submissions must be formally approved by the relevant Service Committee first. The Chief Financial Officer should also be informed in order to agree the financial implications.~~

~~4.18 For any submissions or amendments mentioned in para 4.16 and 4.17 above, where there is a matter of urgency, the grant submission should be agreed by CMT before submission/resubmission and approval sought from the Chair of the relevant Service Committee and the Leader of the Council. Then the decision must be submitted for homologation at the next relevant Committee meeting. For all applications, the Chief Financial Officer should be informed in order to agree the financial implications~~

4.16 The Chief Financial Officer should ensure that arrangements are in place to:-

- receive and properly record such income in the Council's accounts;
- ensure that audit and accounting requirements are met; and
- ensure that the funding requirements are considered prior to entering into any agreements, both in the present and the future.

4.17 The Chief Officer of the service receiving grant funding must ensure that arrangements for receiving and recording income are complied with. They must also ensure that the project progresses in accordance with the agreed terms of the funding agreement and that claims are made from the funding body timeously and in accordance with any conditions of the grant award.

4.18 Where the Council is acting as the accountable body for the distribution of grant funding, officers must ensure procedures followed are consistent with these financial regulations. Given the nature surrounding the application to grant funding, requests are occasionally made for payments in advance. In this situation, a case should be clearly made to the Chief Financial Officer for approval.

~~4.20 The Chief Executive or Corporate Directors must ensure that the project progresses in accordance with the agreed terms of the funding agreement and that all expenditure is properly incurred and recorded. They must also ensure~~

~~that claims for funds are made from the funding body by the date specified in any conditions attached to the grant award.~~

## **5. ASSET MANAGEMENT**

### **ASSET MANAGEMENT PLANS**

5.1 Asset management plans are required to be maintained for all categories of Council assets. The plans will incorporate the following information:

- Service context – policies, strategies and Council priorities relevant to the category of assets.
- List of the assets or other descriptive and quantitative information
- Condition of assets
- Suitability of assets
- Maintenance policy and requirements
- Replacement policy and requirements

5.2 The categories of assets for which asset management plans are required are:

#### **Property**

- ~~Schools~~ **Learning Estate**
- Housing
- Industrial Estates
- Offices
- Other operational buildings

#### **Open Space**

#### **Roads and Associated Infrastructure**

- Roads
- Harbours
- Flood Risk Management

#### **Fleet**

#### **ICT**

The Asset Management Working Group shall report annually to the ~~Policy and Resources~~ **Corporate** Committee on progress of developing and updating asset management plans.

## ASSET REGISTER

- 5.3 An Asset Register for accounting purposes shall be maintained by the Chief Financial Officer. This will record an adequate description of all furniture, equipment, plant and machinery. A de-minimis level of £20,000 (£15,000 for Common Good and Public Trust Funds) for buildings and land and £6,000 for vehicles, plant, equipment and furniture, shall apply to individual items although the value of like items of lesser value may be aggregated and similarly items valued on a group basis may have individual values of less than £20,000 (£15,000 for Common Good and Public Trust Funds) for buildings and land and £6,000 for vehicles, plant, equipment and furniture and thus be required to be included in the Asset Register. The Asset Register shall be kept in accordance with the guidelines issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 5.4 Each Chief Officer shall be responsible for maintaining a regular check on all items on the Asset Register, for recording and taking action in relation to surpluses or deficiencies and informing the amendment of the Asset Register accordingly. Deficiencies shall be reported to the Chief Financial Officer immediately.
- 5.5 In addition to the Asset Registers held for accounting purposes, Chief Officers shall be responsible for the maintenance of inventories of moveable equipment to assist the control and security of items and facilitate the reporting of loss or theft. All equipment with an individual replacement cost of over £500 must be included on the inventory lists.
- 5.6 Council property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Chief Officer concerned. Where Officers are authorised to retain equipment at home for the purposes of home-working (either during or out with normal working hours), each Chief Officer shall maintain a register giving details (including serial numbers where applicable) of equipment held by each employee.
- 5.7 The Head of Housing and Property shall ensure that a database of all land, properties and structures owned by the Council is maintained, which records the current user, the purpose for which held, the location, the extent, purchase price and rents payable and particulars of tenancies granted. The Head of Housing and Property shall also maintain a list of houses held under the Housing Acts.
- 5.8 The Head of Governance, Strategy & Performance shall ensure custody of all title deeds under secure arrangements.

## CONCESSIONARY RENTS

- 5.9 Most of the Council's property is let out at market value. In some circumstances, and by regulations promoted under the Community Empowerment (Scotland) Act 2015, the Council supports community groups through leasing property at reduced rental. Any such lease arrangements must be treated as Community Asset Transfer (CAT) requests and shall be considered as part of the assessment of the business case for CAT in accordance with the Council's CAT policy and reported to ~~Policy and Resources~~ **the Corporate** Committee for approval.
- 5.10 **Appropriate consideration must be given to the provisions of the Subsidy Control Act 2022.**

## DISPOSAL OF ASSETS

- 5.11 All surplus plant ~~and, vehicles,~~ equipment (other than **vehicles, see paragraph 5.16 below, and** I.C.T. equipment, see [paragraph 5.15](#) below) and furnishings, where no suitable trade-in arrangements have been made, shall be offered for sale unless, in the opinion of the Chief Officer concerned, the item has no material financial value. In such circumstances the item shall be disposed of in a manner having regard to good environmental practice.

Where an item(s) are to be sold, then for proceeds expected for less than £2,000, the methodology of disposal should be agreed by the appropriate Chief Officer.

However, if the proceeds are deemed to be in excess of £2,000, but less than £10,000 then the disposal methodology requires to be approved by the Chief Financial Officer.

For any assets expected to raise in excess of £10,000, then authority is sought from the ~~Policy & Resources~~ Corporate Committee (with the exception of Fleet vehicles for sale at auction)

Any proceeds from the disposal of plant and vehicles will be deemed as a capital receipt for the Council **unless the item disposed of was not recorded in the Council's Fixed Asset Register.**

For disposal proceeds over and above £10,000 the Accountancy section is to be informed, within one month of disposal, so as to ensure the assets removal from the Asset register.

- 5.12 The method of disposal may be by public tender, public auction or other electronic/ virtual auctions (e.g. eBay, Gumtree). There is discretion to adopt whatever means is deemed to be appropriate bearing in mind that the best return in terms of disposal values is to be sought taking account of the items under consideration. A PayPal account maybe required for these disposals and if this be proposed advice should be sought from the Chief Financial Officer. **Payment must be received before items being disposed of are removed by the purchaser.**



- 5.13 Identification of surplus and available for disposal Council owned property assets (excluding Common Good and Public Trust assets and assets held on the Housing Revenue Account) is delegated to the ~~Corporate Director (Corporate Services)~~ Chief Financial Officer in that officer's capacity as Chairman of the Asset Management Working Group, which should be informed of any property assets owned by the Council which are deemed surplus to requirements. **Formal designation of assets as surplus is made by AMWG in accordance with the Council's Surplus Property procedures.**
- 5.14 All surplus land or properties shall be sold by the Head of Governance, Strategy & Performance in accordance with the requirement that the Council secures the best price obtainable. In arranging any sale the relevant Chief Officer shall consult with the Chief Financial Officer to ensure all financial implications, including accounting for Value Added Tax, are fully considered. Any proceeds from the disposal of land or properties held on the Fixed Asset Register will be deemed to be a capital receipt for the Council.
- 5.15 The Council shall not be bound to accept the highest or any offer. Where an offer other than the highest offer is recommended for acceptance, approval of ~~the Policy and Resources Committee for matters under £50,000 and to Full Council, for matters exceeding £50,000~~ is required and the reason for accepting the said offer must be duly recorded in the minute of the meeting. **Payment must be received before items being disposed of are removed by the purchaser.**
- 5.16 Any proposal to transfer properties to a community group under the Community Asset Transfer (CAT) process must be considered as part of the assessment of the business case for CAT in accordance with the guidance provided by the Scottish Government in relation to asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015. All Community Asset Transfer requests, including disposals above £100,000 in value and rental concessions over £50,000 per annum are to be reported to ~~Policy and Resources~~ the Corporate Committee for approval **except for low value, short life rental concessions (annual value less than £1,000 or annual value between £1,000 and £6,000 and duration up to six months) where the Chief Financial Officer and Head of Housing and Property Services have delegated authority to approve if the service using the property and local ward members both support the request.**
- 5.17 Details of any vehicles which a Chief Officer deems surplus to requirements shall be advised to Fleet Services. Where the vehicle is considered no longer suitable for use within the Council, the Fleet Services Manager shall arrange for its suitable disposal.
- 5.18 Details of any I.C.T. equipment which a Chief Officer deems surplus to requirements shall be advised to the Head of HR, ICT & Organisational Development. Where such equipment is considered no longer suitable for use within the Council, the Head of HR, ICT & Organisational Development shall arrange for its suitable disposal either through a recognised recycling scheme or exceptionally to a voluntary body or Community Council in terms of Section

55 of the Local Government (Scotland) Act 1973. All such donations shall be recorded by the Head of HR, ICT & Organisational Development who will report periodically on such disposals to the ~~Policy and Resources~~ Corporate Committee.

- 5.19 Where computer equipment provided to former Members of the Council is considered no longer suitable for use within the Council, the former Member to whom the equipment was provided shall be given the opportunity to buy the equipment at the end of their term of office at the prevailing market rate. Any software operated under a Council licence shall be removed from the equipment according to the copyright agreement and any information relating to the Council shall also be removed.
- 5.20 Any dealings of the Council (including the sale or lease of Council owned land) shall comply with the ~~European Commission rules regarding State Aid in favour of any third party (including a buyer/tenant)~~ Subsidy Control Act 2022.

## **SECURITY**

- 5.21 Each Chief Officer shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc. under his/her control. The Chief Financial Officer must be notified in any case where it is considered that special security arrangements may be needed.
- 5.22 Maximum limits for cash holdings shall be agreed with the Chief Financial Officer and Internal Audit and Risk Manager and shall not be exceeded without specific written permission.
- 5.23 Keys to safes and similar receptacles are to be kept in the custody of persons with delegated responsibility at all times; the loss of any such keys must be reported to the Chief Financial Officer forthwith.

## **STOCKS AND STORES**

- 5.24 Chief Officers shall be responsible for the care and custody of the stocks and stores in their Departments.
- 5.25 Stocks and stores shall not exceed levels agreed between the Chief Officer and the Chief Financial Officer.
- 5.26 Chief Officers shall ensure that there are regular reconciliations of stock and shall arrange for stock to be checked at least once a year by a person other than the storekeeper.
- 5.27 No adjustment of stock valuation (for writing off, writing down, obsolescence etc.) over the value of £1,000 shall be made without the approval of Chief Financial Officer. **All adjustments to stock valuations must be approved by the Audit and Risk Manager.**
- 5.28 The Chief Financial Officer shall be entitled to receive from each Chief Officer such information as required in relation to stores for accounting, costing and financial recording purposes.

- 5.29 Surplus materials, stores or equipment (including scrap) shall be disposed of in terms of [paragraph 5.11](#) above, unless otherwise agreed with the Chief Financial Officer.
- 5.30 Stocks and stores records must be kept in a form to be agreed by the Chief Officer with the Chief Financial Officer.

## **LEASES**

- 5.31 Any contract that includes an element of lease must be discussed with the estates section if relating to land before entering into the contract, The accountancy section must be informed of any lease entered into , to ensure compliance with legislation as to the correct accounting treatment for the transaction.

## **6. BANKING ARRANGEMENTS**

- 6.1 The bank account of the Council will be kept with the bank approved by the Council, and, where required, the Chief Financial Officer shall arrange for subsidiary accounts to be kept with that bank.
- 6.2 No bank account shall be opened by any Officer of the Council for any purpose in connection with their employment without prior permission having been sought and obtained from the Chief Financial Officer. All bank accounts shall be in the name, or incorporate the name, of the Moray Council.
- 6.3 Except where, in special circumstances, it is not possible to borrow on, or gain access to, the Money Market, the bank account shall not be overdrawn in excess of the sum authorised by the Council and agreed with its bankers.
- 6.4 All bank accounts shall be reconciled to supporting records at regular monthly intervals and copies of the reconciliations, if requested, shall be forwarded to the Chief Financial Officer for review.
- 6.5 All cheques issued shall bear the signature or facsimile of one of the authorised signatories agreed by the Council. The ordering and control of cheques shall be the responsibility of the Chief Financial Officer.
- 6.6 Arrangements for electronic funds transfer shall be arranged by the Chief Financial Officer, or an officer nominated by the Chief Financial Officer.

## **6. INSURANCES AND INDEMNITIES**

- 6.7 The Chief Financial Officer shall effect all insurance cover and negotiate all claims, in consultation with other Officers where necessary.

- 6.8 Chief Officers shall notify the Chief Financial Officer, without delay, of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 6.9 Chief Officers shall notify the Chief Financial Officer in writing of any loss, liability or damage or any event likely to lead to a claim, and inform the police, where appropriate.
- 6.10 All employees of the Council shall be included in a suitable fidelity guarantee insurance.
- 6.11 The Chief Financial Officer shall review all insurance arrangements in line with the contract term, and report thereon to the ~~Policy and Resources Corporate~~ Committee.
- 6.12 Chief Officers shall consult the Chief Executive, the Head of Governance, Strategy & Performance and the Chief Financial Officer about the terms of any indemnity which the Council is required to give.
- 6.13 Refer to [paragraph 3.18](#) for insurance requirements for travelling abroad.

## **7. ANNUAL ACCOUNTS**

- 7.1 Chief Officers shall provide all information requested in the year end accounting instructions and comply with the timetable therein in order to ensure that the Annual Accounts are completed in line with the statutory regulations.
- 7.2 The Chief Financial Officer shall submit the unaudited Annual Accounts of the Council to the External Auditors and to the Council for consideration in accordance with the statutory regulations.
- 7.3 The Council's External Auditor shall have the right to demand access to all records (electronic or manual), documents and correspondence relating to any financial or other transactions of the Council and receive such explanations as are necessary concerning any matter under examination. Officers of the Council, officers in associated or subsidiary companies, trusts etc. and officials of grant aided bodies will ensure that these rights are given to External Auditors.
- 7.4 The audited Annual Accounts shall be submitted to the Council for consideration and approval and the Auditor's Report thereon shall be submitted to the Council for consideration in accordance with the statutory regulations.

## **8. TREASURY MANAGEMENT**

- 8.1 The Council has adopted CIPFA's Code of Practice (the Code) for Treasury Management in the Public Services.
- 8.2 A Treasury Management Policy Statement, stating the policies and objectives of the Council's Treasury Management activities shall be adopted by the Council in accordance with Section 4 of the Code. Thereafter its implementation and monitoring shall be delegated to the ~~Policy and Resources~~ **Corporate** Committee.
- 8.3 ~~The Chief Financial Officer shall create and maintain~~ suitable Treasury Management Practices (TMPs), setting the manner in which the policies and objectives contained within the Policy Statement shall be achieved, and prescribing how these activities shall be managed and controlled. ~~, shall be created and maintained.~~
- 8.4 At or before the start of the financial year, the Chief Financial Officer shall report to ~~the meeting of the Council which approves the budget for the year ahead~~ **Policy and Resources Committee** on the strategy for Treasury Management and the Annual Investment Strategy that it is proposed to ~~be~~ **be** adopted for the coming financial year.
- 8.5 All executive decisions on borrowing, investment or financing shall be delegated to the Chief Financial Officer who shall be required to act in accordance with the Strategies, Policy Statement and TMPs.
- 8.6 The Chief Financial Officer shall report ~~twice~~ annually to ~~Policy and Resources~~ **the Corporate** Committee on the activities of the Treasury Management operation and on the exercise of delegated Treasury Management powers. Quarterly Performance reports will be posted on the Member's Portal.
- 8.7 All borrowings shall be effected by the Chief Financial Officer in the name of the Council.
- 8.8 The Chief Financial Officer shall act as Registrar for all stocks, bonds, bills, etc. and shall maintain records of all monies borrowed and invested by the Council. The Council's Bankers, or other agents approved by the ~~Policy and Resources~~ **Corporate** Committee, may be appointed as Registrar, where this is necessary to facilitate a particular method of borrowing.

## 9. INTERNAL AUDIT

- 9.1 The **Head of Governance, Strategy and Performance** ~~Corporate Director (Corporate Services)~~ shall secure the provision of a continuous internal audit service to provide an independent and objective opinion on the control environment comprising risk management, internal control, and governance. **This remit is delegated to the Audit and Risk Manager.**
- 9.2 Internal Audit shall be accountable ~~through the Corporate Director (Corporate Services)~~ to the Audit and Scrutiny Committee. This Committee is charged with responsibility for ensuring good stewardship of the Council's resources and enhancing the profile, status and authority of the internal audit team and affirming its independence. Specifically the Committee shall:-
- Contribute towards making the Council, its Committees and Services more responsive to the audit function,
  - Enhance corporate governance arrangements by promoting internal control and risk management, by scrutiny of progress towards achieving the Council's corporate objectives by supporting an anti-fraud culture, and by the review of revisions to financial procedures,
  - Have responsibility for focusing audit resources by endorsing the risk based audit planning process and agreeing the annual programme of work,
  - Monitor delivery of the audit service through receipt of ~~quarterly~~ **regular** reports on work carried out by ~~Internal Audit~~ **the Audit and Risk Manager** and by related inspection agencies,
  - Consider and endorse the annual assurance statement provided by Internal Audit on the Council's control environment.
- 9.3 Internal Audit staff, for the purposes of conducting their work, shall:-
- have a right of access to all records, assets, personnel and premises, including those of partner organisations in receipt of Council funding or other resources,
  - have access to all records, documents and correspondence relating to any **activity and** 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 control, which is relevant to any investigation being carried out.
- 9.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning ~~cash, stores or other property~~ **finances, property, services or policy** of the Council or any suspected irregularity in the exercise of the functions of the Council, any Officer, having knowledge thereof, shall, as soon as possible, notify Internal Audit. The ~~Internal Audit~~ **and Risk Manager**

shall investigate any such matters in consultation with the ~~Depute Chief Executive (Education, Communities and OD) Corporate Director (Corporate Services)~~ and report in terms of the Council's Policy to Combat Fraud, Theft, Bribery and Corruption. Elected Members having such concerns shall report thereon to the Council's Monitoring Officer.

## **10. COMMON GOOD AND TRUST ETC. FUNDS**

- 10.1 The Chief Financial Officer shall manage these funds in accordance with the limits and conditions imposed by statute, by the Deed of Trust etc. and by the Council, and shall ensure the proper and safe custody of funds.
- 10.2 The title deeds of **all** property known to be in the ownership of the Common Good and Trust etc. Funds shall be held in the custody of the Head of Governance, Strategy & Performance.
- 10.3 All Trust Funds shall, wherever possible, be in the name of the Council. All monies left in Trust to the Council or to be administered by its Officers shall be notified as soon as possible to the Chief Financial Officer.
- 10.4 All Officers, shall deposit all securities etc. relating to the Trust with the Chief Financial Officer unless the deed otherwise provides.
- 10.5 The Chief Financial Officer shall prepare Annual Accounts in an appropriate format and have the accounts subject to External Audit.
- 10.6 The Chief Financial Officer shall ensure that the Annual Accounts for the registered charitable Trusts are prepared in the appropriate format and comply with the Office of the Scottish Charity Regulator (OSCR) legislation and audited in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- 10.7 Under the Community Empowerment (Scotland) Act 2015, the Chief Financial Officer will establish and maintain a register of Common Good property and before taking any decision to dispose of, or change the use of, such Common Good property, will publish details about the proposed disposal, or as the case may be, the use to which the Council proposes to put the property.

## **11. HOSPITALITY**

- 11.1 Each Chief Officer shall be entitled to extend hospitality within their appropriate service area at a cost of up to £200 (excluding VAT) per occasion, providing that it can be met within existing budget.
- 11.2 When the provision of hospitality is estimated to cost in excess of £200, but not more than £1,000 (exclusive of VAT) per occasion, written approval shall first be obtained from the **Leader Convener** of the Council and Chair of the appropriate Committee (or, in their absence, the **Deputy** Leader and Vice Chair). Such hospitality shall not be used to further the interests of a political party.
- 11.3 The provision of hospitality estimated to cost in excess of £1,000 (exclusive of VAT) per occasion shall require the prior approval of the appropriate Service Committee and must be met within existing service budget.
- 11.4 For hospitality over £1,000, of a Council-wide corporate nature related to visits by external organisations, approval of the **Policy and Resources the Corporate** Committee is required.
- 11.5 In certain circumstances, hospitality or gifts not exceeding £30 in value may be accepted, only when permission has been granted from **the officer's** line manager before accepting. **A record of any such gifts should be maintained by each service.**
- 11.6 All offers of gifts and hospitality where the value is in excess of £30 ,should be notified to line managers/ supervisors and written notification of these must be signed by the relevant **Head of Service Chief Officer** for recording in a register of gifts and hospitality held within the service department.

## **12. VOLUNTARY FUNDS**

- 12.1 Many staff within Council establishments are involved in the handling of money for and on behalf of Moray Council. Staff can also be responsible for other monies as a consequence of their employment by the Council either directly (e.g. schools, social work establishments, etc.) or indirectly as treasurer of a representative body related to Council activities. These other monies are known as voluntary **or-unofficial** funds.
- 12.2 Voluntary funds maintained by or at an establishment can be defined as “any fund other than an official fund of the Council, which is controlled wholly, or in part, by an Officer of the Council by reason of their employment”.
- 12.3 The aims and objectives of these funds are mainly complementary to and sometimes not easily distinguishable from those of the Council. Thus, to protect the interests of not only the persons to whom the funds belong, but also to



safeguard the staff who administer and are responsible for them, suitable financial records must be maintained.

- 12.4 These Regulations do not prescribe the detailed form and content of records to be maintained, but, in all cases, written records shall be kept to show the nature and value of all receipts and disbursements. These records shall be kept up to date, be accessible to all parties connected with the funds, and be subject to annual **inspection or** audit by a suitable independent person.
- 12.5 Each Chief Officer shall maintain a register of all voluntary ~~or unofficial~~ funds administered by staff within his service.

### **13. RELATED PARTY INTEREST**

- 13.1 In line with the Employee Code of Conduct, all employees must declare any conflicts of interest arising directly or indirectly from their employment with the Council. This interest may be financial or one which a member of the public might reasonably think could influence the judgment of a member of staff. Employees must inform their line manager of any potential conflicts of interest, who will in turn inform the Head of HR, ICT & Organisational Development for recording in a register of staff interests.
- 13.2 Committee Services maintain a register of Member's interests and a register of Senior Manager interests, to record any interests declared. Both registers are published on the Council's website. \_

## **14. DATA SECURITY & RETENTION OF DOCUMENTS**

- 14.1 Chief Officers shall ensure that arrangements are in place for the proper management of financial, legal and other documents and that these documents are retained in accordance with any specific statutory requirements, including the Data Protection Act (2018), the Freedom of Information (Scotland) Act (2002), and the Council's records management Plan and related policies.
- 14.2 Excepting where approval in writing has been given by the Chief Financial Officer for scanned copies of documents to be retained, original paper copies of documents supporting financial transactions of the Council shall be held in accordance with the Council's retention and disposal policy. Specifically in relation to externally funded projects, all documents relating to these projects must be retained in accordance with the conditions of grant and until the final completion and audit of the relevant programme.

LIST OF CHIEF OFFICER POSTS

SERVICE	POST TITLE
CHIEF EXECUTIVE	<b>CHIEF EXECUTIVE</b>
ECONOMY, ENVIRONMENT & FINANCE	<b>DEPUTE CHIEF EXECUTIVE</b> HEAD OF HOUSING & PROPERTY SERVICES HEAD OF ECONOMIC GROWTH & DEVELOPMENT HEAD OF ENVIRONMENTAL & COMMERCIAL SERVICES CHIEF FINANCIAL OFFICER
EDUCATION, COMMUNITIES & ORGANISATIONAL DEVELOPMENT	<b>DEPUTE CHIEF EXECUTIVE</b> HEAD OF EDUCATION HEAD OF EDUCATION RESOURCES & COMMUNITIES HEAD OF HR, ICT & ORGANISATIONAL DEVELOPMENT HEAD OF GOVERNANCE, STRATEGY & PERFORMANCE <del>HEAD OF TRANSFORMATION</del> <del>HEAD OF ICS (ASN)</del>
<del>CORPORATE SERVICES</del>	<del><b>CORPORATE DIRECTOR (CORPORATE SERVICES)</b></del> <del>HEAD OF LEGAL AND DEMOCRATIC SERVICES</del> <del>CHIEF FINANCIAL OFFICER</del> <del>HEAD OF HR AND ICT SERVICES</del>

~~ENVIRONMENTAL SERVICES~~

~~**CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,  
PLANNING AND INFRASTRUCTURE)**~~

~~HEAD OF DIRECT SERVICES~~

~~HEAD OF DEVELOPMENT SERVICES~~

~~HEAD OF HOUSING AND PROPERTY~~

~~EDUCATIONAL AND INTEGRATED  
CHILDRENS SERVICES~~

~~**CORPORATE DIRECTOR (EDUCATION AND SOCIAL  
CARE)**~~

~~HEAD OF SCHOOLS & CURRICULUM DEVELOPMENT~~

~~HEAD OF LIFELONG LEARNING, CULTURE & SPORT~~

~~HEAD OF INTEGRATED CHILDRENS SERVICES~~

~~HEALTH & SOCIAL CARE  
SERVICES~~

~~**CORPORATE DIRECTOR (EDUCATION AND SOCIAL  
CARE)**~~

~~HEAD OF ADULT SERVICES~~

~~**ADULT** HEALTH & SOCIAL CARE  
SERVICES~~

~~**CHIEF OFFICER OF MORAY INTEGRATION JOINT  
BOARD**~~

~~SOCIAL WORK~~

~~HEAD OF ADULT SERVICES~~

~~**CHIEF SOCIAL WORK OFFICER**~~

~~CHIEF FINANCE OFFICER OF MORAY INTEGRATION  
JOINT BOARD~~

## APPENDIX 2

### LIST OF RELATED DOCUMENTS / PROCEDURES / GUIDANCE NOTES

The under-noted documents provide detailed guidance on selected topics and should be read in conjunction with these Regulations.

<u>Paragraph</u>	<u>Document / Procedure / Guidance Note</u>
1.12	The Code of Conduct for Employees:- <a href="#">Conditions of Service</a>
2.3	Revenue Budget - <a href="#">Revenue Budget - The Moray Council</a>
2.6	Standing Orders: - <a href="#">Committees</a>
2.12	Scheme of Devolved School Management
2.17	Capital Plan: - <a href="#">Capital Plan - Moray Council</a>
3.2	Authorisation Policy:- <a href="#">Authorisation Policy</a>
3.6	HR Recruitment and Leavers Policy/Procedures: - <a href="#">Recruitment &amp; Leavers</a>
3.13	Travel & Subsistence Policy <a href="#">Travel &amp; Subsistence Policy</a>
3.13	Pool Car Scheme: <a href="#">Pool Car Scheme</a>
3.14	Scheme for Payment of Travel and Subsistence Allowances: <a href="#">Conditions of Service</a>
3.21	Procurement Procedures: - <a href="#">Procurement</a>
<b>3.25</b>	<b>Grant Policy</b>
3.34	Policy on Funding External Bodies
4.2	Income Handling Guidance: - <a href="#">Banking &amp; Cash Handling</a>
4.2	Anti Money Laundering Policy
4.3	Retention of Documents - <a href="#">Records Management</a>
4.11	Charging For Council Services Policy <a href="#">Charges for Services</a>
4.14	Sundry Debt Management Policy: - <a href="#">Sundry Debt Management Policy</a>

- 4.15 Grant Policy
- 5.1 Asset Management Plans – [Capital Plan summary](#)
- 5.15 Community Asset Transfer (CAT): [Part 5 of the Community Empowerment \(Scotland\) Act 2015 the Act](#)
- 7.1 Year- End Accounting Instruction Pack: - [Year End Packs](#)
- 8.2 Treasury Management Policy Statement
- 9.4 Policy to Combat Fraud, Theft, Bribery and Corruption [Policy](#)
- 10.7 Community Empowerment (Scotland) Act 2015 [the Act](#)
- 11.5 Employees Code of Conduct: - [Conditions of Service](#)
- 14.1 Data Protection Act 2018 - [Act 2018](#)
- 14.1 Freedom of Information (Scotland) Act 2002 - [Act 2002](#)
- 14.1 Record Management Plan - [Records Management](#)