

EAST RENFREWSHIRE COUNCIL28 June 2017Report by Chief Financial OfficerReview of Financial Regulations**Purpose of Report**

1. To advise the Council of the review of the Financial Regulations.

Recommendations

2. It is recommended that the Council:-
 - (a) considers the content of the revised Financial Regulations; and
 - (b) approves the revised Financial Regulations.

Background

3. In line with good practice, the Chief Financial Officer periodically reviews the Financial Regulations, setting out the financial procedures to be followed by all departments, and updates these to take account of changes to Council structures, processes and risks.

Report

4. The financial regulations have been redrafted and are shorter than the existing financial regulations. They have been written in "plain English" and aimed at the correct audience, making them easier to understand. The redrafted financial regulations are strategic in nature and have links to more detailed procedures and policies, where necessary. This ensures any future update to the underpinning procedures/policies does not render the financial regulations as out of date. Many of these links relate to internal documents and as such will only be accessible to Council staff.
5. Not all of the links have been finalised, however, as and when they become available, the Financial Regulations will be updated online.
6. The Chief Financial Officer has consulted with all departments in reviewing and updating the Financial Regulations and the revised Financial Regulations are attached.

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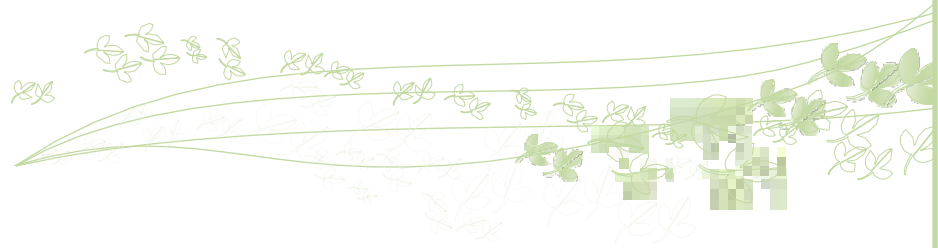
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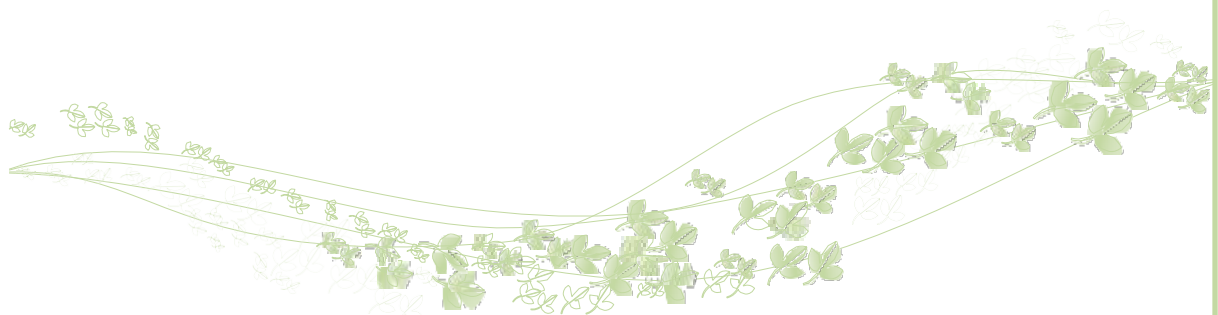
Key Words

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Financial Regulations



June 2017

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1. Introduction

1.1 General

Throughout the financial regulations there are references to a range of procedures. While the detail of these procedures and policies are not contained within these regulations, they are issued under their authority and have the same status as if they were included in the body of these regulations.

Financial Regulations are an integral part of the stewardship of Council Funds. Adhering to the Regulations ensures that all financial transactions of the Council are conducted in a manner of openness, integrity and transparency.

The Regulations form a significant part of the Corporate Governance of the Council and apply to every member and employee of the Council or anyone acting on its behalf.

Following the establishment under the Public Bodies (Joint Working) Act 2015 of an East Renfrewshire Integrated Health and Social Care Joint Board (IJB), a separate set of [financial regulations](#) has been produced for that body. These regulations form the basis upon which the Chief Financial Officer of the IJB will discharge equivalent proper officer responsibilities for the Board.

1.2 Breach of Financial Regulations

Any breach or non-compliance with these regulations must be reported immediately to the Chief Financial Officer, who may then discuss the matter with the Chief Executive and/or any other Director or Head of Service as appropriate to decide what action to take.

1.3 Review of Financial Regulations

These regulations must be reviewed every two years by the Chief Financial Officer and, where necessary, subsequent adjustments will be submitted to the Council for approval



1. Introduction (cont'd)

1.4 Responsibilities

Chief Executive

The Chief Executive is charged with overall responsibility for the corporate management and operational functions of the Council, and this includes putting in place suitable arrangements to ensure an efficient use of resources.

Chief Financial Officer

The Chief Financial Officer, in terms of section 95 of the Local Government (Scotland) Act 1973, is responsible for the administration of the Council's financial affairs. As such, the Chief Financial Officer will act as financial advisor to the Council, the Cabinet and all Committees.

Directors

Directors must assist the Council and the Chief Executive at all times in achieving best value for money in the provision of services.

Directors are fully accountable for the financial performance of their service area against the budget allocated and may incur expenditure only when budgetary provision has been made.

Except in an emergency, or as authorised by [Standing Orders Relating to Contracts](#) and the [Scheme of Delegated Functions](#), Directors must consult with the Chief Financial Officer on any matter affecting their services which is liable to materially affect the finances of the Council before making any commitment.

Directors must ensure compliance with Standing Orders Relating to Contracts and Financial Regulations in relation to their service activities, and ensure that no expenditure is incurred unless it is within the legal powers of the Council.

For the purpose of these regulations, the Chief Officer HSCP falls within the definition of a Director.

Elected Members

Elected members' responsibilities regarding financial matters are as follows:

- Setting the Council's financial strategy, including budget-setting;
 - Setting the Council's strategic direction and overseeing arrangements for securing best value;
 - Ensuring proper control is exercised over the Council's expenditure through scrutiny of regular financial reports;
 - Holding senior officers to account regarding discharging all relevant responsibilities within their control.
-



1. Introduction (cont'd)

Employees

Employees must report any personal interest which could potentially conflict with decisions made at work to their line manager. These interests must then be recorded in the Register of Employee Interests, held by the Director of Corporate and Community Services.

All offers of gifts, hospitality or sponsorship received from those with whom the Council does business must be recorded in the relevant department's Probity Register, whether or not they are accepted. Departmental contacts for these registers can be found [here](#).

For further guidance on personal interest and gifts or hospitality, please see the Council's [Code of Conduct for Employees](#) and the [Anti-Fraud and Bribery Strategy](#).

Internal Audit

The primary role of Internal Audit is to provide assurance to the Council on the adequacy of its control environment. Internal Audit will carry out independent examinations of financial and related systems of the Council to ensure that the interests of the Council are protected.

Internal Audit staff have authority to:

- Enter all Council premises or land at reasonable times;
- Have access to all records and systems;
- Require and receive any explanations necessary concerning any matter under investigation;
- Require any employee to produce cash, stores or other property under that employee's control;
- Make appropriate recommendations.

Directors must immediately report any evident or suspected irregularity of a financial nature to the Chief Auditor, who must deal with such irregularities in accordance with the Council's defalcation procedures [See [Appendix 1](#) of Discipline Procedures].

The Audit and Scrutiny Committee must approve the [Internal Audit Charter](#) as well as approving an annual Audit Plan, which details the proposed work of the Internal Audit function and will be compiled in consultation with the Corporate Management Team. The Annual Audit Report will show progress achieved against the audit plan, and this report must include an assurance statement on the adequacy of controls.



1. Introduction (cont'd)

1.5 Authorised Persons

The Chief Financial Officer will ensure that a register of those persons who can authorise financial transactions, either through a financial system, by e-mail or by signature, along with the level of authorisation is updated annually. The Human Resources Manager and the Revenues and Business Manager will assist the Chief Financial Officer in this regard.

Directors will ensure that the register is kept up-to-date for their staff by informing the Chief Financial Officer, the Human Resources Manager or the Revenues and Business Manager, as appropriate, of any changes during the year.

1.6 Other Regulations of the Council

These Financial Regulations should be read in conjunction with other Regulations of the Council:

- [Scheme of Administration](#)
- [Scheme of Delegated Functions](#)
- [Standing Orders](#)
- [Standing Orders Relating to Contracts](#)
- [Code of Conduct for Employees](#)
- [Anti-Fraud and Bribery Strategy](#)
- Defalcation Procedures [See [Appendix 1](#) of Discipline Procedures]



2. Accounting Procedures

2.1 Procedures and Records

All of the Council's accounting systems and the format of its accounting records must be approved by the Chief Financial Officer.

The Chief Financial Officer will make arrangements to preserve the integrity of the financial ledger by controlling the user access [[Access e-procurement](#)], [Chart of Accounts](#) amendments and data entry processes.

2.2 Principles

All systems will incorporate internal controls to ensure that, as far as possible, all:

- Income of the Council is promptly and properly recorded and collected;
- Expenditure of the Council is properly incurred, authorised and paid; and
- Cash, stores and other Council assets are safely kept and controlled.

As far as possible, duties should be divided among employees so that:

- The calculation, recording or authorisation of sums due to or by the Council should not be the responsibility of one person;
- Those who calculate, record or authorise sums due to or by the Council should not be involved in the subsequent receipt or payment of those sums; and
- Those who examine or check cash transactions should not be directly involved in those transactions.

All expenditure and income must be coded to the relevant budget code and VAT correctly treated. Assistance should be sought from Finance Business Partners/VAT Officer, if required.

All claims, returns or written submissions relating to grants and financial data must be submitted to the Chief Financial Officer for approval.

Financial records must only be disposed of in accordance with the Council's Retention Policy for Financial Documents [[retention schedule](#)].

2.3 Financial Year End

Directors must supply the Chief Financial Officer all information necessary to enable the Council's Accounts to be prepared per the [Year End Instructions](#) and within the statutory timetable.



3. Revenue Expenditure

3.1 Legality of Expenditure

Directors must ensure that all expenditure incurred is within the legal powers of the Council.

3.2 Revenue Budget Planning

The Chief Financial Officer must prepare a [Long Term Financial Strategy](#) which will be update annually and approved by the Council.

Every three years, or as otherwise determined by the Council, the Chief Financial Officer must also prepare multi-year departmental budgets to support medium-term financial planning.

The Chief Financial Officer must also provide to the Director of Corporate and Community Services details of the budget for the coming year, together with indicative budgets for the next two years for inclusion in the Council's [Outcome Delivery Plan](#).

The Chief Financial Officer will advise Directors of the guidelines and timetable detailing procedures to be followed for the preparation of the [Revenue Estimates](#).

Directors, with support from Finance Business Partners, must annually prepare detailed Revenue Estimates, in conjunction with the Chief Financial Officer, for their services in accordance with resource allocations and to the timetable mentioned above. Detailed estimates should include the revenue effects of the Capital Plan.

Each year the Chief Financial Officer must produce a consolidated Revenue Estimates volume for consideration by the Council, together with recommendation as to the level of Council Tax for the coming year.

The Director of Environment, in consultation with the Chief Financial Officer, must report to Council the implications of the Housing Revenue Account Estimates on Council house rents to allow rents to be set for the following year.

Once the Revenue Estimates are approved, and subject to all other requirements of the Financial Regulations and [Standing Orders Relating to Contracts](#), Directors can then proceed to incur that expenditure.

3.3 Limitation on Expenditure

No revenue expenditure will be incurred unless it has been included in the Revenue Estimates, except:

- Where additional grant has been allocated;
 - Where for sums over £50k a report has been submitted to Cabinet;
 - Where a Supplementary Estimate has been approved by Council, acting on the Cabinet's recommendation;
 - In an emergency, as defined in the scheme of delegation;
-



3. Revenue Expenditure (cont'd)

- As provided for in 'Virement' below.

3.4 Virement (Budget Transfer)

Virement is the transfer of resources from one budget to another within a department. Prompt and well controlled virement is crucial to budget management and in year planning.

Except where arrangements are in place for Educational Establishments under Devolved School Management and for changes to the Health & Social Care Partnership (HSCP) budgets which are under the direction of the Integration Joint Board (IJB), virement must only take place for expenditure which was unforeseen when the Revenue Estimates were being compiled. Virement must be requested using the attached form [link to follow – Accountancy] subject to the following:

- Virement which does not impact on the published [Revenue Estimates](#) as approved by the Council requires the approval of the relevant Director in consultation with the Finance Business Partner;
- Virement of up to £50,000 which does affect the [Revenue Estimates](#) as approved by Council requires agreement between the relevant Director and the Chief Financial Officer. If agreement cannot be reached, the matter will be referred to the Chief Executive. Cabinet will be notified of any such virement through the normal Revenues Budget Monitoring report;
- Virement of over £50,000 which affects the [Revenue Estimates](#) requires approval of Cabinet, through normal Budget Monitoring reports.

3.5 Budgetary Control

The Chief Financial Officer must report regularly and timeously on all budgetary control matters to Cabinet, detailing actual expenditure and income and projected year-end variances.

Directors can obtain budgetary control statements, comparing actual expenditure and income with budgets, by directly accessing appropriate financial reporting systems.

Directors must ensure that individual cost centre budgets within the Revenue Estimates are not significantly over-spent and that total departmental net expenditure is within the authorised budget. The Chief Financial Officer will monitor this, at cost centre level, on a regular basis.

Directors must provide the Chief Financial Officer whatever assistance and information is considered necessary, by the Chief Financial Officer, in order to ensure the effectiveness of the budgetary control system. This includes the allocation of budgets over divisions of each service, the phasing of budgets over accounting periods, the explanation of budget variances and the determination of probable outturns (i.e. forecasts of expenditure).

Directors must not accelerate expenditure at year-end in order to prevent budget under-spends.



3. Revenue Expenditure (cont'd)

3.6 Variances

The Chief Financial Officer must report to Cabinet on the details of variances and on remedial action required.

3.7 Reports to Cabinet / Council

All reports presented to Cabinet or Council must specifically identify the extent of any financial and efficiency implications. Any such implications must be clearly stated in the reports, identifying cost and income in the current and future years together with the impact on capital and revenue spending.



4. Payroll

4.1 Payment

All wages, salaries, travelling and subsistence expenses and other payroll items will be administered by the Director of Corporate and Community Services, who is responsible for the transmission of pension contributions, tax and National Insurance to the appropriate bodies.

4.2 Payment of employees

Directors or Heads of Service will provide the Director of Corporate and Community Services with details of all information affecting the payment of employees in accordance with specified [timetable](#) to allow the Council's Human Resources System to be maintained.

4.3 Authorisation

All payroll information must be approved by an authorised person, who is authorising the information is accurate and that any overtime and expenses relate directly and only to the Council's business.

4.4 Overtime and Allowances

All overtime and allowances should be claimed in line with the Council's procedures on Claiming Overtime and Allowances [[link to follow - HR](#)].

For those employees who don't have access to the Intranet, overtime and allowances must be claimed using [this form](#), which will be made available from their departmental administration services.

4.5 Expenses

All expenses should be claimed in line with the Council's procedures on claiming expenses [[link to follow - HR](#)].

In order to comply with Her Majesty's Revenue and Customs (HMRC) requirements, anyone claiming car mileage must ensure that they retain VAT receipts for fuel purchased.

These do not need to be attached to the mileage claim forms but must be available for potential HRMC inspection.



5. Members Allowance and Expenses

5.1 Responsibility

The Director of Corporate and Community Services is responsible for the administration and regulation of Members of the Council's allowances and expenses.

5.2 Scheme

At the commencement of a new Council, following a full election, the Director of Corporate and Community Services must submit a Scheme of Members' Allowances and Expenses [[link to follow - HR](#)] to the Council, which must be updated annually and approved by Council.



6. Payment of Sums Owed by the Council

6.1 Procurement Procedures

Arrangements for the procurement of all goods, works or services must comply with [Contract Standing Orders](#) established and maintained by the Chief Officer – Legal & Procurement.

Further specific procedures can be found on the following topics by clicking the appropriate heading:

- [Purchase Orders](#) (including details of exemptions from these requirements)
- [Quick Quotes](#)
- [Tendering](#)
- Credit & Purchasing Cards [[link to follow – Procurement](#)]
- Mobile Phone Policy [[link to follow - IT](#)]

6.2 Interim Payments

Interim payments for contractors must only be made on a certificate issued by the Director of Environment or other delegated officers responsible for the control and supervision of the work, as agreed by the Chief Financial Officer and the Chief Officer – Legal and Procurement.

On no account should contract payments be authorised prior to the appropriate value of work having been carried out.



7. Payment of Sums Owed by the Council

7.1 Payment Method

The normal method of payment will be by the Bankers Automated Clearing System (BACS). Where this is not possible, payment will be made by cheque.

7.2 Authorisation

Directors must ensure that all goods, materials and services received are as ordered regarding price, quantity and quality.

7.3 Duplicate Invoices

Duplicate invoices or other payment vouchers will not be paid without authorisation from a Director or Head of Service, after consulting with their Finance Business Partner, that the original has not been paid.

7.4 Outstanding Accounts

Directors must return to the Chief Financial Officer, as per the [Year End Instructions](#), a list of all invoices paid out with the Corporate Purchase Ordering System that are paid after the year end creditors cut off date.



8. Stores and Inventories

8.1 Storekeeping

Directors are responsible for the safe keeping and control of all stocks and stores in their services, and must arrange for regular stocktaking.

8.2 Stock Levels

Stocks and stores must not be in excess of normal requirements. Directors wishing to make exceptional arrangements must seek Cabinet approval.

For all issues relating to stock, reference should be made to Stock and Inventories Procedures [\[link to follow – Accountancy\]](#).

8.3 Inventories

Inventories must be maintained of all assets other than those included in the Asset Register and must record adequate descriptions of those assets (i.e. furniture, fittings, plant, equipment, machinery, computer equipment etc.). This must follow the Council's Stock and Inventories Procedures [\[link to follow – Accountancy\]](#)

8.4 Removal

Council property, other than that required for agile working, must not be removed from Council premises unless specifically approved by the appropriate Director or Head of Service.

8.5 Valuations

Departments must supply annual, authorised stock certificates and inventories required for the closing of the Accounts to the Chief Financial Officer per the [Year End Instructions](#).

8.6 Write off of surpluses of stock

The Chief Financial Officer will write off such plant, furniture and equipment, which have become unfit for use and are unsaleable.



9. Income

9.1 Setting of Charges

Directors must review annually, or more frequently where appropriate, their charges for goods or services and submit proposals to Cabinet for their consideration. The [Charging for Services](#) exercise will take account of current inflation rates and other relevant financial factors.

9.2 Accounting Arrangements

The Chief Financial Officer will make adequate financial and accounting arrangements to ensure the proper recording of all money due to the Council and for the proper collection, control and banking of cash in Departments of the Council.

9.3 Issuing a Debtors Account

Details of all charges to be made for work, supplies, goods or services, or other amounts due to the Council must be promptly notified to the Director of Corporate and Community Services who will issue [Debtor Accounts](#) for income due to the Council under arrangements approved by the Chief Financial Officer.

9.4 Money Collected

All money collected on behalf of the Council must be recorded and deposited promptly and intact with the Bank by the Director of Corporate and Community Services. No deduction will be made from such money, and no cash discount will be offered except in circumstances agreed by Cabinet.

Regular reconciliations must be carried out to bank statements to ensure that all money is accounted for by the Chief Financial Officer. These reconciliations must be completed by an appropriate member of staff and checked and signed off by a manager.

All electronic receipts of income must go through an appropriate Income Management System to ensure card verification and correct posting of payments.

9.5 Debt Recovery

Procedures on how the Council recovers sums of money due can be found in the [Debt Recovery Policy](#). The policy also details those situations where Cabinet will consider writing off bad debts.

Procedures on the management of rent arrears can be found in the [Rent Arrears and Former Arrears Write Off Policy](#).

9.6 Grants

The Chief Financial Officer must be advised of all relevant information necessary to submit or authorise applications for grants due to the Council, with all grants to be paid to the Council.



9. Income (cont'd)

9.7 Maximising Income

Where possible, payment should be made in advance for all chargeable services. In other cases, invoices should be raised promptly (and no later than 10 working days) after the supply of goods or services. Managers must ensure that they are aware of levels of outstanding debt, if any, accumulating from individual service users.

9.8 VAT

Where new transactions are being considered, Directors must consult with the VAT/PFI Officer (0141 577 8450) on the VAT implications before introducing any new charges.

9.9 Transfer of cash, cheques etc.

Every transfer of cash, cheques and investment certificates etc. from one member of staff to another must be evidenced in the records of the departments concerned by the signature of the receiving officer.



10. Petty Cash (Imprest Accounts)

10.1 Petty Cash Procedures

These regulations should be read in conjunction with the Council's [Petty Cash Procedures](#).

10.2 Provision and Rules

The Chief Financial Officer will provide cash advances to services that require them for the purpose of minor items of expenditure. The person in the service who has responsibility for cash advances is referred to as an Imprest Holder.

Imprest accounts will be operated to the [Petty Cash Procedures](#) set by the Chief Financial Officer. These must be strictly adhered to.

Imprest holders must authorise the balance held as at 31 March each year per the [Year End Instructions](#).

10.3 Termination

Any Imprest Holder who leaves the Council, or otherwise ceases to be entitled to be an Imprest Holder, must account to the Chief Financial Officer for the amount of the advance.



11. Security

11.1 Responsibility

Directors are responsible for maintaining proper security, custody and control of all assets under their control, including that owned by third parties. The Chief Financial Officer shall be consulted where security is thought to be deficient or where special security arrangements may be needed.

11.2 Retention of Documents

The [retention](#) period for all financial records will be determined by the Chief Financial Officer.

11.3 Key Holders

Directors must ensure that keys for safes and similar security boxes for cash or other valuables are securely controlled by key holders, with a register of key holders to be maintained. Keys should not be left on the premises overnight. Any loss of such keys must be reported to the Chief Financial Officer.



12. Banking

12.1 Bank Accounts

All arrangements with the Council's Bankers will be made by the Chief Financial Officer, who is solely authorised to open and close bank accounts in the Council's name as considered necessary.

The Chief Financial Officer and, where appropriate, the Director of Corporate and Community Services will operate bank accounts, direct debits and standing orders as necessary, and are responsible for arranging BACS (Bankers Automated Clearing System) or CHAPS (Clearing House Automated Payments System) payments. They must ensure proper security procedures are in place.

12.2 Controlled Stationery

All receipt forms, books, tickets and other such items will be ordered and supplied by the Chief Financial Officer, or by arrangements approved by the Chief Financial Officer.

12.3 Cheques

All arrangements for ordering, storing, controlling and signing of cheques will be made by the Chief Financial Officer.

12.4 Review

A review must be carried out by the Chief Financial Officer at least once every five years of all services provided by the Council's Bankers.

The Chief Financial Officer will be responsible for the appointment of the Council bankers.



13. Treasury Management

13.1 Treasury Management Policy Statement and Practices

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and the Prudential Code for Capital Finance in Local Authorities.

Accordingly, the Chief Financial Officer must create and maintain a [Treasury Management Policy Statement](#) and suitable [Treasury Management Practices](#).

The Chief Financial Officer is responsible for all treasury-related decisions.

13.2 Reports to Council

The Chief Financial Officer must submit an annual [treasury management strategy](#), a treasury management annual report and a mid-year review of the treasury management strategy and performance to the Audit and Scrutiny Committee before seeking approval from Council.

13.3 Borrowing, Leasing and Rental Agreements

All borrowings must be arranged by the Chief Financial Officer and be held in the Council's name.

No leasing of assets will be undertaken without the Chief Financial Officer's approval.

The Chief Procurement Officer must sign all rental agreements.

13.4 Financial Documents

The Chief Financial Officer is responsible for ensuring that secure arrangements are made for the storing of stock certificates, bonds and other financial documents.



14. Capital Expenditure

14.1 Legality of Capital Expenditure

Directors must ensure that all expenditure incurred is within the legal powers of the Council.

14.2 Capital Plans and Estimates

The Chief Financial Officer will determine what constitutes capital expenditure in line with good accounting practice.

The Capital Asset Management Group will assist the Chief Executive Officer and the Chief Financial Officer in the preparation of a rolling eight year [General Fund Capital Plan](#). The Capital Plan is developed and shaped to align capital spend with the Council's strategic aims and objectives and Asset Management Plans [[link to follow - Environment](#)] and must identify the anticipated level of resources or funding required.

The Director of Environment, in consultation with the Chief Financial Officer, must prepare a rolling five year [Housing Capital Programme](#).

Directors must provide all necessary information required to allow these Capital Plans to be prepared, in accordance with a timetable set by the Capital Asset Management Group.

In particular, a [Capital Project Appraisal Form](#) must be prepared for each project submitted for inclusion in the General Fund Capital Plan, ensuring that appropriate option appraisal, feasibility studies and consultation activity has taken place.

Capital Project Appraisals for the Housing Capital Programme must be prepared for new build developments or major conversions.

Once the Capital Plans are approved by the Council before the beginning of the financial year, the figures for the first year of the Plans become the Capital Estimates for the year. Departments can then proceed with projects within this first year (assuming all necessary approvals or permissions have been obtained).

Work connected with acquisitions, preliminary expenses and design for projects falling in the second or later years of the Capital Plan must only be progressed if this has been specifically approved by Council.

Given the rolling nature of the Capital Plans, Directors must review them annually and give due consideration to factors such as inflation and funding availability.

Further information can be found in the Council's [Capital Investment Strategy](#).

14.3 Limits on Expenditure

After Council approval of the Capital Plans, and subject to all other requirements of the Financial Regulations and [Standing Orders Relating to Contracts](#), departments can proceed with projects unless:



14. Capital Expenditure (cont'd)

- The tender cost or revised estimate exceeds the provision in the Capital Estimates, or
- The nature of the project has changed substantially from that originally envisaged.

In either case, further approval is necessary from the Cabinet.

Capital expenditure must only be incurred if the project has been included in the Capital Plan, or if funding for the project has been made available from other sources (such as a contribution from Revenue).

14.4 Variance from Capital Estimates

If it becomes clear that a capital project, once commenced, will be considerably under or over spent, or the phased expenditure for the current year is likely to vary significantly, the relevant Director must report to the Chief Financial Officer to allow remedial action to take place within the Capital Plan.

14.5 Performance and Budget Monitoring

Performance management arrangements in relation to Capital projects are part of the remit of the Capital Asset Management Group. Arrangements for performance monitoring are included in the [Capital Investment Strategy](#) under the role of the Capital Asset Management Group.

Regular budget monitoring reports on capital expenditure must be submitted by the Chief Financial Officer to the Cabinet to allow the Council's capital investment activity to be properly scrutinised. Further details of what these monitoring reports must include can be found in the [Capital Investment Strategy](#).



15. Assets

15.1 Capital Asset Management Plan

The Director of Environment will maintain a Capital Asset Management Plan [\[link to follow - Environment\]](#), which comprises the following individual Asset Management Plans:-

- Housing [\[link to follow - Environment\]](#);
- Property [\[link to follow - Environment\]](#);
- Open Space [\[link to follow - Environment\]](#);
- Roads [\[link to follow - Environment\]](#);
- Fleet [\[link to follow - Environment\]](#) and
- Information/Communication Technology [\[link to follow – Environment\]](#)

The purpose of these plans is to identify capital investment needs and priorities regarding the Council's Assets.

15.2 Asset Register

An up-to-date Asset Register is a prerequisite for proper fixed asset accounting and sound asset management, and the Chief Financial Officer will be responsible for its maintenance.

The Director of Environment will maintain the Register of Land & Buildings. This register should include details of location, description of property, cost, tenancies granted, rents payable and other interests in the property, and include cross-references to Title Deeds.

Directors must follow procedures and guidance issued by the Chief Financial Officer to allow the Asset Register to be updated, and these can be found in the annual [Year End Instructions](#).

15.3 Disposal of Assets

Where Land or Buildings are surplus to requirements, a report to Cabinet with a recommendation for sale must be submitted by the Director of Environment.



16. State Aid

16.1 Responsibility

Directors are responsible for ensuring that any payments or in kind support made by their service are made in accordance with State Aid rules.

East Renfrewshire Council has a duty to consider State Aid and must refer to the Scottish Government's State Aid Unit, if advice is required.

If a Director is unsure as to whether a payment would constitute State Aid or anti-competitive practice, further advice must be sought from the External Funding Officer, Economic Development (0141 577 3106), in the first instance.

Further information including examples of what constitutes State Aid [[link to follow - Environment](#)] can be found in the Council's State Aid Guidance Notes [[link to follow - Environment](#)].



17. Insurance

17.1 Responsibility

The Director of Corporate and Community Services must ensure that the Council has insurance cover, and will put in place appropriate arrangements for the negotiation of any claims, in consultation with other officers. All insurances held by the Council must be reviewed annually.

17.2 Insurance Risks

Directors must notify the Director of Corporate and Community Services promptly of all changes to risks, properties, vehicles, plant, equipment, etc. that require to be insured or which affect existing insurance arrangements.

17.3 Notification of Claims

Directors must immediately notify the Director of Corporate and Community Services of any losses or other events likely to lead to a claim, and notify the Police where appropriate.

17.4 Fidelity Guarantee Insurance

The Director of Corporate and Community Services must arrange insurance for appropriate employees, to protect the Council from financial loss from theft or fraud.

17.5 Further Information

Information and application details on how to notify an insurance claim against the Council can be found [here](#).



18. Significant Trading Operations

18.1 Classification of Significant Trading Operations

The Chief Financial Officer must on an annual basis and after having taken into account current CIPFA/LASAAC guidance review the Council's classification of Council activities in terms of Trading Operations as defined by the Local Government in Scotland Act 2003. A report on that review must be submitted to the Cabinet prior to the 31 March to agree any Significant Trading Operations for the following financial year.

18.2 Business Plans

A Director with operational responsibility for a Significant Trading Operation must prepare Business Plans and Revenue Estimates in consultation with the Chief Financial Officer for the next three years.

18.3 Statutory Three-Year Breakeven Requirement

A Director with operational responsibility for a Significant Trading Operation must ensure that statutory trading accounts are maintained for each Significant Trading Operation and that each Significant Trading Operation must at least break even over a three year rolling period.

Directors will monitor the financial performance on a regular basis and report to Cabinet on any adverse variances, recommending a course of remedial action.

Directors will provide information to the Chief Financial Officer, as requested, to allow Annual Accounts to be prepared within the Statutory timescale.



19. Tax Management

19.1 Responsibilities

The Chief Financial Officer is responsible for all taxation procedures with the exception of those related to payroll where responsibility will be with the Director of Corporate and Community Services.

Each Director is responsible for implementing any tax-related procedures provided by either the Chief Financial Officer or the Director of Corporate and Community Services.

19.2 VAT

The Chief Financial Officer is responsible for the submission of VAT returns to HRMC in accordance with the pre-agreed timeframe.

Where transactions of a new or unusual nature are being considered, Directors must consult the VAT/PFI Officer (0141 577 8450) on the tax implications before committing the Council.



20. Trusts and Charitable Funds

20.1 Council Responsibility

All Trust Funds will, where possible, be held in the name of the Council and all securities relating to the Trust deposited with the Chief Financial Officer, unless the deed provides otherwise.

20.2 Control of Funds

The Chief Financial Officer is responsible for the safe custody and control of all charitable funds held by the Council and must ensure that all expenditure is in accordance with the conditions of the relevant Trust deeds or available information, as appropriate.

The Chief Financial Officer must prepare a full set of financial statements for each registered charitable fund which will be subject to independent audit.



21. Partnership Working

21.1 Arms Length and External Organisations

Directors must apply the recommendations of the Accounts Commission's Following the Public Pound 2006 Report in relation to funding arrangements with Arms Length and External Organisations.

Formal contracts must be put in place at the outset of a new funding agreement, ensuring management arrangements over funding are defined from the outset and that termination arrangements are incorporated.

21.2 Private Finance Initiatives / Public Private Partnerships

Payments in relation to Private Finance Initiatives, Public Private Partnership and similar schemes must be in accordance with the Project Agreement and the Payment Mechanism.

21.3 Hub Projects

Procurement of projects via hub West Scotland must be considered where this will achieve best value for the Council and in particular where such schemes involve joint working with partners. The Chief Financial Officer will provide advice in this regard for any such potential schemes. Payments in relation to hub schemes must be in accordance with the Project Agreement and the Payment Mechanism.



22. Grants to Voluntary Organisations

All applications to the Council for grants must be made on the approved application forms [[link to follow – Corporate and Community Services](#)] and must be accompanied by relevant financial statements for the organisation making the application.

Any application in excess of £1,000 must be referred to the Chief Financial Officer for financial appraisal.

Further information can be found in the Council's Grants to Voluntary Organisations procedures [[link to follow – Corporate and Community Services](#)].



23. Glossary of Processes

Anti-Fraud and Bribery Strategy	Anti-Fraud and Bribery Strategy	1.4, 1.6
Asset Management Plans	Link to follow	14.2, 15.1
Capital Investment Strategy	Capital Investment Strategy	14.2, 14.5
Capital Project Appraisal Form	Capital Project Appraisal Form	14.2
Charging for Services	Charging for Services	9.1
Chart of accounts amendments	Chart of Accounts	2.1
Claiming Expenses	Link to follow	4.5
Claiming Overtime and Allowances	Link to follow	4.4
Code of Conduct for Employees	Code of Conduct for Employees	1.4, 1.6
Credit & Purchasing Cards	Link to follow	6.1
Debt Recovery Policy	Debt Recovery Policy	9.5
Debtor Accounts	Debtor Accounts	9.3
Defalcation Procedures	See Appendix 1 of Discipline Procedures	1.4, 1.6
Financial Forecasts	financial forecasts	3.2
Financial Regulations for IJB	financial regulations	1.1
Financial System User access	Access e-procurement	2.1
Fleet Asset Management Plan	Link to follow	15.1
General Fund Capital Plan	General Fund Capital Plan	14.2
Grant Applications	Link to follow	22.1
Grants to Voluntary Organisations Procedures	Link to follow	22.1
Housing Asset Management Plan	Link to follow	15.1
Housing Capital Programme	Housing Capital Programme	14.2
Information/Communication Technology Asset Management Plan	Link to follow	15.1
Insurance	Insurance	17.5
Internal Audit Charter	Internal Audit Charter	1.4
Mobile Phone Policy	Link to follow	6.1
Open Space Asset Management Plan	Link to follow	15.1
Outcome Delivery Plan	Outcome Delivery Plan	3.2
Petty Cash Procedures	Petty Cash Procedures	10.1, 10.2
Payroll Deadlines	timetable	4.2
Procurement Procedures	procedures	6.1
Probity Register Contacts	Probity Register Contacts	1.4
Property Asset Management Plan	Link to follow	15.1
Purchase Orders	Purchase Orders	6.1
Quick Quotes	Quick Quotes	6.1
Rent Arrears and Former Arrears Write Off Policy	Rent Arrears and Former Arrears Write Off Policy	9.5
Retention Period for Financial Records	Retention Schedule	2.2, 11.2
Revenue Estimates Guidelines & timetable	Revenue Estimates	3.2



24. Glossary of Processes (cont'd)

Revenue Estimates (as approved by Council)	Revenue Estimates	3.4
Roads Asset Management Plan	Link to follow	15.1
Scheme of Administration	Scheme of Administration	1.6
Scheme of Delegated Functions	Scheme of Delegated Functions	1.4, 1.6
Scheme of Members' Allowances and Expenses	Link to follow	5.2
Standing Orders	Standing Orders	1.6
Standing Orders Relating to Contracts	Standing Orders Relating to Contracts	1.4, 1.6, 3.2, 14.3
State Aid	Link to follow	16.1
Stock and Inventories Procedures	Link to follow	8.2, 8.3
Tendering	Tendering	6.1
Treasury Management Policy Statement	Treasury Management Policy Statement	13.1
Treasury Management Practices	Treasury Management Practices	13.1
Treasury Management Strategy	Treasury Management Strategy	13.2
Virement approval form	Link to follow	3.4
Year End Instructions	Year End Instructions	2.3, 7.4, 8.5, 10.2, 15.2

