**FINANCIAL REGULATIONS**

FINANCIAL REGULATIONS

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**1 Financial Administration**

**1.1 Financial Control**

East Ayrshire Leisure Trust is a Scottish Charitable Incorporated Organisation recognised by the Office of the Scottish Charity Regulator (OSCR), registration number SC043987. The organisation took responsibility for a wide range of cultural, countryside, sports and community facilities and services across East Ayrshire on 1st July 2013.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions for the charity’s constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This responsibility is discharged by the establishment of sound arrangements and systems for the planning, appraisal, authorisation and control of the use of resources and by the preparation, compilation and reporting of accurate and informative accounts. The Financial Regulations should be read in conjunction with other Regulations of the Trust such as:

**(i)** Standing Orders

**(ii)** Schemes of Delegation and Administration

**(iii)** Defalcation/Corrupt Practices Procedures

**(iv)** Disciplinary Procedures

and with other legislation/regulations observed by the Trust such as:

**(a)** The Data Protection Act

**(b)** CIPFA Code of Practice on Local Authority Accounting in Great Britain

**(c)** CIPFA Code for Treasury Management in Local Authorities

**(d)** The Prudential Code for Capital Finance in Local Authorities

**(e)** The Public Sector Internal Audit Standards (PSIAS).

**(f)** Protocols

 Accounting Policy Bulletins (APB’s) provide detailed guidance on the applications of these Financial Regulations. APB’s are available on the Intranet and form an integral part of the governance framework of the Trust. They carry the same status and authority as if they were part of these financial regulations and will be approved and issued by the Head of Corporate Services.

**1.2 Responsibilities**

## **1.2.1 Awareness**

## Trustees and Officers have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

### 1.2.2 Key Controls

The key controls and control objectives for financial management standards are:

**(i)** the promotion of the highest standards of financial management throughout the authority;

**(ii)** a monitoring system to review compliance with financial regulations; and

**(iii)** regular comparisons of actual financial performance with planned performance, which are reported to Senior Management Team, Performance and Audit Sub-Committee, Board of Trustees and Council as appropriate.

**1.2.3 Board of Trustees**

Subject to the Scheme of Delegation and Administration, the Performance & Audit Sub-Committee shall be responsible for regulating and controlling the finances of the Trust within the guidelines determined by the Board of Trustees.

**1.2.4 Chief Executive**

The Chief Executiveshall be responsible for the administration of the financial affairs of the Trust and shall act as a financial adviser to the Board of Trustees and all Committees. Specific responsibilities include:-

**(i)** to ensure the proper administration of the financial affairs of the authority;

**(ii)** to set the financial management standards and to ensure that compliance with them is monitored;

**(iii)** to ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the authority;

**(iv)** to advise on the key strategic controls necessary to secure sound financial management; and

**(v)** to ensure that financial information is available to enable accurate and timely monitoring and reporting of financial performance.

**1.2.5 Senior Management Team**

**(i)** Senior Managers should ensure at all times that they endeavour to secure the best value for money incurred by them with the objective of achieving the policies of the Trust.

1. All actions that affect the Trust’s finances should only be carried out by properly authorised employees. Senior Managers will make sure that there is a proper control system in place for authorising transactions.
2. Senior Mangers shall consult with the Chief Executivein respect of any matter affecting his/her servicewhich is liable to affect materially the finances of the Trust before any provisional or other commitment is incurred or before reporting thereon to the Board of Trustees; except in an emergency and/or as authorised by any Scheme of Delegation. In such cases of emergency, a report must be submitted to the Chief Executiveas soon as possible thereafter.
3. It is the responsibility of all Senior Managersto promote awareness of and adherence to the Financial Regulations of the Trust.

**1.2.6 Internal Audit**

1. Internal Audit will comply with the Public Sector Internal Audit Standards (PSIAS) issued by the Relevant Internal Audit Standard Setters (RIASS).
2. The PSIAS define internal auditing as follows:

*“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”*

**(iii)** Internal Audit Services are provided by East Ayrshire Council under a Service Level Agreement.

**2 CONTROL OF CAPITAL EXPENDITURE**

**2.1 Reports**

 **(i)** The Chief Executiveshall reportdetails of capital expenditure to the Board of Trustees on a regular and timeous basis in accordance with the appropriate machinery established for the monitoring of income and expenditure.

**(ii)** Additions to service programmes arising from additional specific capital grant will not require the prior approval of Trust.

**(iii)** Any such additions to service programmes will be reported to the Board of Trustees as part of the monitoring arrangements in place. Where the nature of any capital project changes substantially from that envisaged when the capital programme was approved, this should be reported to Board of Trustees.

**2.2** **Funding Approvals**

It shall be the duty of the appropriate Senior Manager to ensure that any required funding approvals have been obtained ***before*** the commencement of a capital project.

**2.3 Capital Appraisal**

All capital schemes should comply with Trust priorities and objectives and represent best value in terms of the options available to utilise the capital spending level determined by the Trust. Senior Managers should include confirmation of this in any report which seeks approval of capital schemes.

**3** **REVENUE ESTIMATES**

**3.1 Timetable**

The Chief Executive*,* in consultation with the Head of Corporate Services, shall prepare annually, a timetable detailing procedures to be followed for the preparation of the Revenue Estimates.

**3.2 Information**

Each Senior Manager shall provide the Head of Corporate Serviceswith such details as may be required for the purpose of preparing the estimates for the forthcoming financial year and gaining the relevant Trust approval.

**3.3 Guidelines**

The Chief Executiveshall, report to the Board of Trustees on the financial guidelines and funding to be considered for the purpose of preparation of the Revenue Estimates.

The overall level of annual expenditure and income and *service* resource allocations will be determined by the Trust.

**3.4** **Preparation**

Each Senior Manager shall, in conjunction with the Head of Corporate Services, prepare detailed Revenue Estimates in respect of his/her services in accordance with resource allocations approved by the Trust and to a timetable set by the Chief Executive. The detailed Revenue Estimates shall be approved by Performance & Audit Sub-Committee prior to being recommended to Board of Trustees for approval.

**4 CONTROL OF REVENUE EXPENDITURE**

**4.1 Limitation on Expenditure**

No expenditure chargeable to any Revenue Account shall be incurred unless it has been included in the Revenue Estimates except:-

**(i)** where additional ***specific*** grant has been allocated;

**(ii)** where a supplementary Estimate has been approved by the Board of Trustees, or

**(iii)** in emergency situations in terms of any Schemes of Delegation; and

**(iv)** as provided for in Paragraph 5.3.

**4.2 Budgetary Control**

1. It shall be the duty of the Chief Executiveto report regularly and timeously on all budgetary control matters, comparing actual performance with the respective Estimates to the Board of Trustees and other bodies as designated by the Board of Trustees, Chief Executive, and other nominated officers.

**(ii)** It shall be the responsibility of each Senior Manager to ensure that items in the annual estimates are not overspent and that the net expenditure conforms to the authorised budget. Senior Managersshall also provide the Chief Executivewhatever assistance and information is considered necessary in order to ensure the effectiveness of the budgetary control system. This will include the allocation of budgets over divisions of each Service, the phasing of budgets over accounting periods, explanation of budget variances and the determination of probable outturns.

**4.3 Virement**

 Virement is defined by CIPFA as “*the transfer of an underspend on one budget head to finance additional spending on another budget head, in accordance with an Authority’s Financial Regulations*”.  In effect virement is the transfer of budget from one main budget heading (employee costs, supplies and services etc), to another, or a transfer of budget from one service or service grouping to another.

Virements require approval and they shall be permitted subject to any Scheme of Delegation of the Trust as follows:

1. Virement must not create additional overall budget liability. One off savings or additional income should not be used to support recurring expenditure or to create future commitments including full year effects of decisions made part way through a year. Where the virement involves the transfer of up to *£100,000* between budget headings, and will not affect the execution of existing Trust policy, the transfer shall be approved by the Senior Manager concerned. Any such virements must be notified to the Chief Executivebefore the end of the accounting period in which they are approved.

**(ii)** Where the amount is over *£100,000* or where the transfer of any amount would affect the execution of existing Trust policy, the approval of the Board of Trustees shall be required.

Given the scale and complexity of the Trust’s budget there are occasions when a small element of a service grouping budget is held centrally by the Chief Executiveuntil further information is received later in the financial year.  Therefore there will be times during the year when these centrally held budgets are transferred and utilised, however these do not derive from “an underspend of budget” as defined by CIPFA nor are the funds used to incur additional expenditure, and consequently these transfers are regarded as being a realignment and not virement.

**4.4 Variances**

Where it appears that any heading of income or expenditure may vary significantly from that appearing in the Revenue Estimates, it shall be the duty of the Senior Manager concerned, in conjunction with the Chief Executive, to report in accordance with the appropriate machinery established for the purpose by the Trust*,* the details of the variance and any remedial action required.

For the purposes of these regulations a budget or income and expenditure heading is considered to be a standard service division as defined by CIPFA’s “Service Expenditure Analysis” *(SEA)*.

**4.5 Reports to Committees**

All reports presented to Board of Trustees, Committees or Council must specifically identify the extent of any financial implications. Any such implications must be clearly stated in the reports, identifying cost and income in the current and future years, the impact on capital and revenue spending and whether or not, and exactly where, such resources are included in the Budget or, if not, how and from where it is proposed that such financial resources be obtained. Details of financial implications included in reports must be referred to the Head of Corporate Servicesfor approval before the report is issued.

**5 LEGALITY OF EXPENDITURE**

It shall be the duty of each Senior Manager to ensure that no expenditure is incurred unless it is within the Legal Powers of the Trust. In cases of doubt Senior Managers must consult the Trust’sHead of Corporate Services before incurring expenditure. Expenditure on new service developments, initial contributions to other organisations and responses to new emergency situations which require expenditure, must be clarified as to legality prior to being incurred.

**6 CONTROL OF INCOME**

**6.1 Determination of Charges**

Each Senior Manager shall review annually or where appropriate more frequently, the charges for goods or services provided by their serviceand, except where the charge is fixed externally, shall submit proposals thereof for the consideration of the Board of Trustees. In order to preserve the real value of such income, increases recommended to Board of Trustees, Committee or Council should have regard to factors such as the current rate of inflation and any other relevant financial considerations.

**6.2 Accounting Arrangements**

It shall be the duty of the Chief Executiveto make adequate financial and accounting arrangements to ensure the proper recording of all money due to the Trust and the proper collection, custody, control and remittance of all cash in services of the Trust. All income must be promptly recorded in order to ensure that accounts are brought up to date without unnecessary delay.

**6.3Notification of Income to the Head of Corporate Services**

All accounts for income due to the Trust shall be rendered by or under arrangements approved by the Head of Corporate Services. All accounts must be raised and issued timeously.

**6.4 Bad Debts and Provisions**

Sums due to the Trust shall not be written off except with the approval of Board of Trustees or under any Scheme of Delegation approved by the Board of Trustees. Appropriate provisions for bad debts should be made within the accounts of the Trust.

**6.5 Treatment of Money Collected**

All money received on behalf of the Trust in any service shall be recorded and deposited immediately with the Head of Corporate Services or the Trust’s Bankers in accordance with arrangements made with the Head of Corporate Services*.* No deduction may be made from such money. Cash discount will not be offered to any debtor.

**6.6 Controlled Stationery**

All accounts, receipts and records for the disbursement and collection of money shall be in a form approved by the Chief Executiveand shall be ordered, controlled and issued to services by him/her or under arrangements agreed with him/her.

**6.7 Transfers of Cash, Cheques, etc.**

All transfers of cash, cheques etc. from one member of staff to another shall be evidenced in the records of the *service* concerned by the signature of the receiving officer.

**6.8 Government Grants**

The Head of Corporate Services shall be advised timeously of all relevant information necessary for him/her to submit or certify applications for Government grants due to the Trust. All grants are to be paid direct to the Head of Corporate Services.

**7** [**TREASURY MANAGEMENT**](#S8)

**7.1 Leasing**

**(i)** With the exception of Heritable Property and any provisions in the Scheme of Delegation, no operating or finance leases for vehicles, plant or major capital assets should be undertaken on behalf of the Trust without the prior approval of the Head of Corporate Services.

**(ii)** All leases are to be effected in the name of the Trust.

**8 BANKING, CONTROL OF CHEQUES, BORROWING**

**8.1 Arrangements with Bankers**

All arrangements with the Trust’s Bankers concerning the Trust’s bank accounts and the issue of cheques shall be made by the Head of Corporate Services.

**8.2 Opening and Closing of Bank Accounts**

The Head of Corporate Servicesis authorised to open such bank accounts considered necessary. No bank accounts will be opened without the approval of the Head of Corporate Services.

**8.3 Payments into Bank**

Income received shall be paid into the Trust’s bank account daily or at such other intervals as may be approved by the Head of Corporate Servicesand limits on cash handling should be within the overall cash limits defined for security purposes (see section 18.2).

**8.4 Cheque Control**

All arrangements for ordering, controlling and signing of cheques on behalf of the Trust shall be made by the Head of Corporate Services.

**8.5 Borrowing**

**(i)** All arrangements for borrowing money required by the Trust for the purposes of its functions shall be made by the Head of Corporate Services.

**(ii)** All borrowings are to be effected in the name of the Trust.

**8.6 Tender for Bank Services**

All services provided by the bank in relation to the management of the Trust’s bank accounts and the issue of cheques shall be subject to open tendering procedures at least once every five years.

**9** [**INVESTMENTS AND TRUST FUNDS**](#S10)

**9.1 Control of Charitable Funds**

The Head of Corporate Servicesshall ensure the proper and safe custody of all charitable funds held by the Trust and that all expenditure is in accordance with the conditions of the fund.

**10 STOCK AND INVENTORIES**

**10.1 Stock**

**10.1.1 Valuation and Stock Control**

The Head of Corporate Servicesshall issue instructions on stores control, and arrangements made by Senior Managers for valuing stock shall be subject to the approval of the Head of Corporate Services.

**10.1.2 Custody of Stock and Stocktaking**

The care, custody and level of stock and equipment in any *service* shall be the responsibility of the appropriate Senior Manager who will ensure that:-

1. stocktaking is carried out at regular intervals as agreed by the Head of Corporate Services;

**(ii)** all obsolete or excess stock or scrap material is identified and disposed of in accordance with instructions issued by the Head of Corporate Services.

**10.1.3 Write-off / Surpluses of Stock**

Each Senior Manager shall report annually to the Board of Trustees, any material value of write-offs and surpluses of stock, the net effect of these adjustments on the book value of consumable stores under their control, and a brief explanation of the reasons for this action. This report shall be submitted in accordance with instructions issued by the Head of Corporate Services.

**10.1.4 Disposal of Assets**

**(i)** All surplus plant, equipment, furnishings, materials, etc. shall be disposed of in a manner to be approved by the Chief Executiveand to obtain the best consideration. A disposal to a Trustee, Officer or Employee of the Trust or their immediate friends or family shall be notified to the Chief Executive for approval in advance of such disposal.

**(ii)** All disposals should follow Trust agreed procedures on the disposal of assets.

**10.2** **Inventories**

**10.2.1 Furniture and Equipment**

Every service of the Trust must maintain full and accurate inventory records. It is essential for the proper control of such assets and for security purposes in the event of fire, theft and other risks covered by insurance, that *service* management ensure the completion of adequate inventory records for all establishments on a continuous basis. Standing inventory instructions and procedures are issued by the Head of Corporate Services and contain instructions on inventory procedure and record keeping.

**10.2.2** **Use of Equipment**

The Trust’s property shall not be removed other than in the course of the Trust’s normal business or used other than for the Trust’s purposes without the specific approval of the Senior Manager or nominated officer concerned. Where property is removed for Trust purposes, a register must be maintained on the movement of such items together with authorisation for the removal of such property.

**11 OFFICIAL ORDERS AND PAYMENT OF ACCOUNTS**

**11.1** **Official Orders**

1. All goods, materials or services supplied to or work executed for the Trust shall be ordered or confirmed in writing by means of:
	* 1. an authorised official order;
		2. the appropriate electronic procurement system;
		3. by written acceptance of a tender or offer and such acceptances shall be signed only by officers authorised by the Scheme of Delegation.

**(ii)** Exceptions to this shall be petty cash purchases, supplies of Public Utility Services and periodic payments such as rent and rates.

**(iii)** A current list of officers so authorised, together with specimen signatures, shall be maintained by each service.

1. Reference should be made where appropriate to the Trust’s Standing Orders on Contracts.
2. Senior Managers should ensure that orders are routed through the appropriate electronic procurement system.
3. In placing orders, Senior Managers shall ensure that the expenditure is properly incurred and is within budget provision.
4. Senior Managers should seek to eliminate the occurrence of off-contract spend.

**11.2** **Central Purchasing and Standardisation**

Each order where appropriate shall conform to the directions of the Trust’s Procurement Framework.

**11.3** **Check on Goods, Materials and Services Received**

 It shall be the duty of the Senior Manager or other authorised officerto ensure that all goods, materials and services received meet the agreed price, quantity and quality.

**11.4 Method of Payment**

The normal method of payment of money due from the Trust shall be by BACS, cheque or other instrument drawn on the Trust’s bank account(s) by the Chief Executive or any person or persons authorised by him. The exception to this shall be petty cash and other payments from imprest accounts. Instructions on the procedures for recording of payments, method of payment and document retention will be issued by the Head of Corporate Services. All documents must be held in an agreed format in order to ensure easy accessibility and recovery of documents as required.

**11.5** **Certification by Senior Managers**

Where goods or services are ordered using an electronic procurement system, invoices will be paid following the specific guidance periodically issued by the Head of Corporate Services. For payment of goods not ordered by an electronic procurement system, or in the absence of any such guidance the following will apply*.*

The Senior Manager which incurs expenditure shall arrange for the certification in manuscript by an officer of the relevant service that all payments vouchers comply with the following:-

**(i)** the expenditure is on items or services which it is within the Trust’s legal power to incur and is within budget provision.

**(ii)** the goods, materials, services or work to which the account relates have been received or carried out as the case may be and have been examined and approved and are in accordance with the order.

**(iii)** the prices, extensions, calculations, trade discounts, other allowances, credits and VAT are correct.

**(iv)** the relevant expenditure code numbers are entered on the document for payment.

**(v)** appropriate entries have been made in inventories, stock records as required.

**(vi)** only in exceptional circumstances shall payments be made in advance of receipt. Such payments shall require the express approval of the appropriate Senior Manager, and must be agreed with the Head of Corporate Services*.*

**11.6 Payment Timetable**

The Trust is required to pay all invoices within 30 calendar days of receiving them. To allow this payment target to be met, invoices must be processed timeously by all services. Senior Managers should ensure that all invoices are passed to Corporate Services within 21 calendar days of receiving them, unless they are held back due to a dispute*.*

**11.7 Authorised Signatories**

A list of authorised signatories for the certification of accounts shall be supplied by each Senior Manager, to the Head of Corporate Services together with specimen signatures. Additions or deletions shall be notified to the Head of Corporate Services as they occur and the accuracy of the list shall be reviewed at least annually by the appropriate Senior Manager. No payment shall be made unless certified by an authorised signatory.

**11.8 Duplicate Invoices etc.**

Payment shall not be made on duplicate or photocopy invoices unless the relevant Senior Manager or other authorised officer certifies in writing that the amounts have not previously been passed for payment.

**11.9** **Finance Service Checks**

The Head of Corporate Servicesshall supplement the *service* checks on payment of accounts as he/she considers necessary.

**11.10** **Amendments to Payment Vouchers**

Any amendments to payment vouchers shall be made in ink and initialled by the officer making them, stating briefly the reasons where this is not self-evident. Alterations must not be made using correction fluids. Tax invoices must be returned to the creditor for alteration.

**12** **ACCOUNTING**

**12.1** **Accounting Procedures and Records**

All accounting procedures and records of the Trust shall be determined by the Head of Corporate Services and all accounts and accounting records of the Trust shall be compiled by the Head of Corporate Services or under his/her direction.

**12.2** **Internal Check**

The following principles shall be observed in the allocation of duties:-

1. procedures to be followed regarding the calculation, checking and recording of sums due by or to the Trust should be arranged in such a way whereby the work of one person is proven independent or is complementary to the work of another and these operations shall be separated from the duty of collecting or disbursing such sums.

**(ii)** officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

**12.3** **Year-end Accounting Returns**

Each Senior Manager shall at dates to be specified by the Head of Corporate Servicessubmit to him/her:-

1. a copy of the certified stock list for his/her service as at the end of the financial year (or date in lieu thereof as laid down by the Head of Corporate Services) together with any reports referred to in paragraph 10.1.3 above.

**(ii)** a certificate confirming that inventories of all moveable furniture, equipment, plant and other items are kept on a continuous basis in all locations under his/her control.

**(iii)** any other information necessary to close the Trust’s accounts.

**(iv)** Senior Managersshall ensure that adequate records are maintained to provide a management trail leading from the source of service income and expenditure through to the accounting statements.

**13 INTERNAL AUDIT**

**13.1 Authority of Audit**

**13.1.1** The Chief Auditor or his/her authorised representatives shall have authority, on production of identification, to:

1. obtain entry at all reasonable times to any Trust premises or land;

**(ii)** have access to all systems*,* records, documents and correspondence relating to any financial and other transactions of the Trust;

**(iii)** have access to all IT hardware running systems on behalf of the Trust including hardware owned by third party service providers;

**(iv)** require and receive such explanations as are necessary concerning any matter under examination;

**(v)** require any employee of the Trust to produce cash, stock or any other Trust property under his/her control.

**13.1.2** The authority of Internal Audit shall extend to partnership arrangementsas required, and will be reflected in relevant partnership agreements.

**13.2 Internal Audit Reporting Procedures**

**13.2.1 Annual Audit Plan**

The Annual Audit Plan will be submitted to the Performance & Audit Sub-Committee at the beginning of the financial year for approval of the programme of audit work for the forthcoming financial year. The plan will be compiled following consultation with the Chief Executive, and the Senior Management Team. In-year amendments to the plan will be agreed with the Head of Corporate Services. The Trust will receive a copy of the Internal Audit report at the conclusion of each audit assignment.

**13.3 Irregularities**

**13.3.1**Managing the risk of fraud and corruption is the responsibility of management; Internal Audit will assist management in the effective discharge of this responsibility.

**13.3.2** Any evidence or reasonable suspicion of an irregularity relating to funds, stock, property or records of the Trust shall be reported immediately by the Senior Manager to the Head of Corporate Services or his/her authorised representatives. Such irregularity shall be dealt with in accordance with the Trust’s Defalcation / Corrupt Practices Procedures. It is the responsibility of each Senior Manager to promote awareness of and adherence to the Trust’s Defalcation / Corrupt Practices Procedures.

**13.4Co-operation with Internal Audit**

Managers and employees should co-operate with Internal Audit with responses made to requests and reports within an agreed timescale. Escalation of failure to respond would be as appropriate and proportionate to the assignment*.*

**14 IMPRESTS**

**14.1** **Provision of Imprests**

On the recommendation of the Senior Manager concerned, the Head of Corporate Services shall provide such imprest accounts as he/she considers may be required for purposes of defraying petty and other minor expenses.

**14.2** **Limit on Expenditure**

Payments from imprest accounts shall be limited to minor items as the Head of Corporate Services may approve. Imprest must not be used to pay major expenses claims or any suppliers’ invoices. The Head of Corporate Servicesmay prescribe an upper limit to individual items of expenditure to be met out of imprest accounts. Payments must in all cases be supported by a voucher and where VAT has been incurred, this should be a VAT receipt.

**14.3** **Statement of Account**

An officer responsible for an imprest account shall, when requested, give the Head of Corporate Services a certificate as to the balance of the imprest account.

**14.4** **Termination of Imprest Holder**

An officer leaving the employment of the Trust or otherwise ceasing to be entitled to hold an imprest advance, shall account to the Head of Corporate Servicesfor the amount advanced to him / her. A formal record of this accounting shall be prepared and retained in the *service* concerned for inspection.

**14.5** **Prepaid Purchase Cards**

Purchase Cards are a relevant method of payment for individual purchases below £500 where appropriate, rather than the use of cash imprests, reimbursement of expenses incurred by employees, or the payment of invoices from suppliers for specialist, or one off purchases agreed in advance with Corporate Procurement.

The Head of Corporate Servicesis responsible for:

1. the provision of prepaid purchases cards to be used for agreed purposes and to be allocated to nominated members of staff.
2. prescribing procedures and guidelines for the use of purchase cards, management review, and accounting arrangements for recording and monitoring expenditure incurred with cards issued.

Senior Managers are responsible for ensuring the correct use of Purchase Cards in accordance with the procedures and guidelines issued by the Head of Corporate Services.

**15** **CLAIMS FOR EXPENSES AND ALLOWANCES**

**15.1** **Arrangements for Claims**

The Head of Corporate Servicesshall be responsible for making arrangements for the administration, regulation and payment of claims for expenses and allowances to Trustees and employees of the Trust.

**15.2** **Employees’ Claims**

All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses shall be submitted at regular intervals as required, duly certified in manuscript on the appropriate official form provided by the Head of Corporate Services. Such payments will not be made out of imprest accounts without the express authority of the Head of Corporate Services.

**15.3 Authorisation of Claims**

A current list of authorised signatories, together with specimen signatures, shall be maintained by each service and provided to the Head of Corporate Services. The Head of Corporate Servicesshall be notified immediately of any amendments to the list of authorised signatories. No payment shall be made unless certified by an authorised signatory. No officer authorised to certify such claims shall certify his personal claim. Personal claims must be certified by a separate authorised signatory.

**15.4** **Certification on Employees’ Claims**

The certification by or on behalf of the Senior Manager shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenditure properly and necessarily incurred, and that any allowances are properly payable.

**15.5 Trustees’ Claims**

Payments to Trustees in respect of expenses and other allowances shall be made in accordance with the conditions laid down in the Trustees Information Pack on receipt of the prescribed form duly completed and certified in manuscript.

**16 SALARIES, WAGES AND PENSIONS**

**16.1** **Information Regarding Appointments, etc.**

The Chief Executive or, where appropriate, the Senior Manager concerned having obtained appropriate authorisation in terms of the Trust’s Scheme of Delegation, shall notify the Head of Corporate Services timeously of all matters affecting the payment of emoluments in accordance with conditions laid down by the Head of Corporate Services, in particular:-

1. appointments, resignations, dismissals, suspensions, secondments and transfers.

**(ii)** implementation of changes in remuneration, other than normal increments and pay awards and agreements of general applications.

**(iii)** absences from duty for sickness or other reason apart from approved leave.

**(iv)** information necessary to maintain records of service for superannuation,

income tax and social security purposes.

**16.2** **Arrangements for Payments**

The payment of all salaries, wages, pensions, compensation and other emoluments to all employees, former employees or beneficiaries shall be made by the Head of Corporate Services or under arrangements made by him/her.

**16.3** **Form and Certification of Records**

All pay documents shall be in a form prescribed or approved by the Head of Corporate Services and shall be certified in manuscript by or on behalf of the appropriate Senior Manager. The names of officers authorised to certify such documents shall be sent immediately to the Head of Corporate Services by the Senior Manager, together with specimen signatures and the names shall be amended on the occasion of any change. No pay document shall be processed unless certified by an authorised signatory.

**17 SECURITY**

**17.1** **Responsibility for Security**

Each Senior Manager shall be responsible for maintaining proper security, custody and control at all times of all plant, buildings, materials, stock, furniture, equipment, cash and other Trust assets under his control. Senior Managers shall also consult the Head of Facilities and Property Managementimmediately in any case where security is thought to be defective or where it is considered that special security arrangements may be required.

**17.2 Key Holding**

 A register of all key holders will be kept in each service. The loss of any keys to premises must be reported immediately to the appropriate Senior Manager and also to the police. In addition the Risk Management Centre must be advised immediately of any perceived additional security risks, following loss or theft of keys.

 Where keypad and card entry systems are in use, access codes should only be made know to staff who require access to the relevant secure areas. Combinations should be changed regularly (annually as a minimum), and especially where there is a change of staff authorised to have access to the code.

**17.3** **Limits to Cash Holdings**

The Head of Corporate Services shall agree with the appropriate Senior Manager the maximum amount of cash to be held in the premises under his control and the agreed amount shall not be exceeded except with the written agreement of the Head of Corporate Services or his nominated representative.

**17.4** **Safe Keys**

Keys to safes and similar receptacles containing cash or valuable documents or articles shall be carried on the person of those responsible. The loss of any such keys shall be reported immediately to the Head of Corporate Servicesand to the police. A register of all such key holders will be kept in each *service*.

**17.5 Cash Carrying**

Levels and types of security required to comply with the Trust’s insurance requirements should be obtained from the Principal Risk and Insurance Advisor. In general terms and for reasons of personal safety, any cash carryings by employees should be kept to an absolute minimum.

**17.6** **Credit Cards / Prepaid Purchase Cards**

Any cards issued to members of staff must be kept securely and shall be carried on the person of those responsible. The loss of any such card shall be reported immediately to the Head of Corporate Services. The PIN number for each card must be retained securely by the member of staff with responsibility for the card and should never be revealed to any third party.

**18** **SECURITY / RETENTION OF DOCUMENTS**

Each Senior Manager shall be responsible for maintaining proper security, custody and control of all documents within his/her service. The retention period for all books, forms and records relating to financial matters shall be determined by the Head of Corporate Services in consultation with the Chief Executive.

**19** **GENERAL DATA PROTECTION REGULATIONS**

Each Senior Manager shall be responsible for the use and security within his/her service of all personal data output from computer systems. Personal data output from systems must not be used by any other person, service or organisation without the prior approval of the Chief Executive.

**20 ASSET REGISTERS**

**20.1 Information Technology Asset Register**

The Head of Corporate Servicesshall be responsible for the maintenance of the Information Technology Asset Register of the Trust.

**20.2****Vehicle and Operational Equipment**

Each Senior Manager shall be responsible for the maintenance of their service Vehicle & Equipment Asset Register.

**20.3 Information Asset Register**

Each Senior Manager shall be responsible for the maintenance of their service Information Asset Register.

**20.4 Compliance with CIPFA Guidance**

Each register will contain at least the minimum level of data to ensure compliance with the CIPFA Accounting Code of Practice.

**21 GIFTS AND HOSPITALITY**

Each Senior Manager must ensure that Trust guidelines with regard to gifts and hospitality are adhered to.

**22 INSURANCE AND RISK**

**22.1** **Responsibility for Insurance and Risk**

The Head of Corporate Services shall make appropriate insurance arrangements for all aspects of the Trust’s activities, subject to any Scheme of Delegation and the general supervision of the Board of Trustees.

The Head of Corporate Services shall arrange, taking such specialist advice as may be necessary, that adequate insurance cover is obtained for all normal insurable risks arising from the activities of the Trust and for which it is the general custom to insure.

With regard to Trustee/Officer Appointments on external companies and trusts, adherence should be made to protocols established by the Chief Executive in relation to the requirements for and details of, all trustees and officers indemnities.

The Head of Corporate Services will be supported by the Principal Risk and Insurance Adviser, as necessary, in all matters relative to both Strategic and Operational Risk Management.

**22.2** **Notification of Risks**

Senior Manager shall give prompt notification to the Head of Corporate Services of all new or increased risks, properties or vehicles which should be covered by insurance or any deletions affecting their service. Key Risks recorded on Risk Registers must be routinely monitored and reviewed in accordance with the Risk Management Policy.

**22.3** **Notification of Insurance Claims**

Notification of insurance claims shall be as stated in the arrangements as issued by the Head of Corporate Services.

**22.4** **Review of Insurance Cover**

The Head of Corporate Servicesshall review periodically all insurance in consultation where appropriate with Senior Managers.

**22.5 Insurance Procurement**

Procurement of insurance services for the Trust is administered by East Ayrshire Council under a Service Level Agreement.

**23 BEST VALUE**

The Trust has a duty to invoke proper arrangements for securing Best Value in the use of resources and delivery of services.  There shall be a process of strategic planning which shall have full Trustee involvement, in order to establish the systematic identification of priorities and realisation of Best Value in the delivery of services.  It shall be the responsibility of the Chief Executive to deliver the arrangements put in place to secure Best Value and to co-ordinate Trust policy in regard to ensuring that the Trust provides Best Value.

Each Senior Manager shall be responsible for ensuring implementation of both the corporate and service applications of the strategic planning process.  All Senior Managers must ensure that they can demonstrate that proper arrangements are in place to secure Best Value and that there are effective service planning arrangements in place.

Best Value should cover the areas of human resource and physical resource management, capital programme and contract management, financial management and policy, performance and service delivery process reviews.

# 24 EXTERNAL FUNDING

The principles of openness, integrity and accountability in decisions on spending public money should apply to funds or other resources which are transferred by the Trust to bodies such as companies, trusts and voluntary organisations where such bodies are subject to local authority control or influence and where they operate at arms’ length.

Each Senior Manager shall be responsible for ensuring the implementation of and adherence to, all Codes and Guidance issued on external funding arrangements.

Any agreements shall include right of access of the Trust’s Internal and External Auditors to the systems, records, and documents and correspondence of that organisation.

**25 PARTNERSHIPS**

Partnerships can play a key role in delivering community strategies. In some circumstances the Trust has a leadership role to bring together the contributions of a variety of stakeholders to deliver a shared vision of services based on user needs. Examples of partners include;

**(i)** a public or private organisation undertaking part funding or participating as a beneficiary in a project including PPP / PFI; or

**(ii)** a body whose nature or status gives it a right or obligation to support a particular project.

In all instances the Senior Manager of the lead service for the Trust should be able to demonstrate that:-

**(i)** appropriate financial regulations have been adopted for the partnership. There should be a presumption that the Trust’s Financial Regulations will prevail in all circumstances unless alternative or additional guidance is considered appropriate. The approval of the Chief Executivewill be required for any such departure.

**(ii)** the roles and responsibilities of each of the partners involved have been agreed and formally accepted before any project commences and that individuals representing the partner organisations are aware of their personal responsibilities.

**(iii)** documented project management arrangements are in place.

**(iv)** responsibility for Budgetary Control for any project is vested in one officer.

**(v)** the limits of responsibility for all groups involved in decision making for any partnership project are clear and agreed. This could include Project Teams, Project Boards, Committees, Board of Trustees and the Trust itself.

**(vi)** a project exit strategy is in place for limited life projects.

**(vii)** arrangements are in place for risk appraisal, monitoring, management and control with particular attention being paid to the possible existence of “liabilities which are potentially assumed under contract”.

**(viii)** Any commitment to participate is not considered to be “ultra vires”.

**26 DEVOLVED MANAGEMENT OF RESOURCES (DMR)**

The Trust is required to draw up decentralisation schemes in accordance with prescribed consultative procedures. The Trust shall have in place satisfactory arrangements for delivery of decentralisation.

It is the responsibility of the management of each Service to ensure that the systems of internal control are adapted to the changing environment following decentralisation. A scheme of delegated authority which codifies duties and responsibilities of elected Trustees and officers and which ensures the provision of a sound internal control environment for a decentralised structure shall be established and maintained.

**27 OBSERVANCE OF FINANCIAL REGULATIONS**

**27.1** **Responsibility of Senior Managers**

It shall be the duty of each Senior Manager to ensure that these Regulations are made known to the appropriate persons within the service and to ensure that they are adhered to.

**27.2** **Breach of Regulations**

If you believe that anyone has broken, or may break, these regulations, you must report this immediately to the Chief Executive, who may then discuss the matter with the Head of Corporate Services (as monitoring officer) and any other Senior Manager or authorised person as appropriate to decide what action to take.

**28 REVIEW OF FINANCIAL REGULATIONS**

These Regulations shall be the subject of review by the Head of Corporate Service*s* in consultation withtheChief Executive, and where necessary, subsequent adjustments will be submitted to the Board of Trustees or Council as appropriate.