

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/KS

Date 20/11/24

2024 Review of Financial Regulations and Scheme of Financial Delegation

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Executive Summary

This report provides Committee with the outcome of the annual review of the Financial Regulations and Scheme of Financial Delegation. Full consideration continues to be given to the collective responsibility for the long-term financial sustainability of the Council and how the Council's financial governance arrangements including the Financial Regulations, and Scheme of Financial Delegation, can further support this.

A number of minor amendments have been made, with two of the main changes summarised at Appendix 1, and a full amended version of the documents is provided at appendix 2 and 3.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the revisions made to the Council's Financial Regulations and Scheme of Financial Delegation.

The Plan for North Lanarkshire

Priority All priorities

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

Programme of Work Statutory / corporate / service requirement

1. Background

- 1.1. This report advises Committee of the outcome of the annual review of the Council's Financial Regulations and Scheme of Financial Delegation, noting the main amendments.

2. Report

- 2.1 The annual review ensures that both the Financial Regulations and Scheme of Financial Delegation remain appropriate for the effective stewardship of the Council's financial resources.
- 2.2 A number of minor amendments were made to the Financial Regulations. These are highlighted in yellow on Appendix 2, with the two main changes highlighted Appendix 1. There are no changes to report on the Financial Scheme of Delegation.

3. Measures of success

- 3.1 The Council continues to operate within approved budgeted resources.

4. Supporting documentation

- Appendix 1 2024 Financial Regulations and Scheme of Financial Delegation Amendments
Appendix 2 Financial Regulations
Appendix 3 Finance Scheme of Delegation



Elaine Kemp
Chief Officer (Finance)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>

<p>5.6</p>	<p>Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.7</p>	<p>Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.8</p>	<p>Communications impact Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.9</p>	<p>Risk impact Is there a risk impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p>
<p>5.10</p>	<p>Armed Forces Covenant Duty Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>
<p>5.11</p>	<p>Children's rights and wellbeing impact Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out? Yes <input type="checkbox"/> No <input type="checkbox"/></p>

2023 Financial Regulations		2024 Financial Regulations		Rationale
Section		Section		
12.5	No narrative	12.5	Misuse of credit cards will result in action under the Council's disciplinary procedures.	Update to include misuse procedure
14.4	No narrative	14.4	all contract documents are available for inspection should they be requested. This should include sufficient evidence to justify annual price increases and tables of agreed charges where appropriate	Update on current creditors procedure following internal audit recommendations



NORTH LANARKSHIRE COUNCIL

FINANCIAL REGULATIONS

APPROVED – 23 May 2018
Updated May 2019
Updated November 2020
Updated November 2021
Updated November 2022
Updated November 2023
Updated November 2024

NORTH LANARKSHIRE COUNCIL

FINANCIAL REGULATIONS

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1. INTRODUCTION

- 1.1 Financial Regulations are an integral part of the Council's framework of internal financial controls, which are designed to ensure the effective stewardship of North Lanarkshire Council funds. Compliance with these regulations will ensure that public money is safeguarded and properly accounted for, and all Council financial transactions undertaken in a manner which demonstrates openness, transparency and integrity.
- 1.2 The Financial Regulations forms a key part of the overarching Financial Strategy and the corporate governance arrangements of the Council.
- 1.3 Any breach or non-compliance with these Regulations must be reported immediately to the Chief Officer (Finance) who may consult the Chief Executive and/or the appropriate Service Chief Officer in order to determine the proper action to be taken. Failure to comply with the Financial Regulations may result in an investigation and disciplinary action under the Council's Discipline Policy

2. RESPONSIBILITIES

- 2.1 Financial Regulations are the responsibility of all Council employees and should be distributed annually by the Chief Executive, **Deputy Chief Executive**, Chief Officers and the Chief Officer (Finance), highlighting the importance of complying with the regulations and the Council's proper financial management. It is the responsibility of each Chief Officer to ensure all staff have read and understood the Financial Regulations.
- 2.2 In addition, Chief Officers have a responsibility to consult with the Section 95 officer on any matter affecting their Service which is liable to materially impact the finances of the Council before making any commitment. In fulfilling this responsibility, Chief Officers must consider spending within the context of the Council's overall financial position. Appropriate mutual discussions and collective decisions at Corporate Management Team (CMT) level are required to manage the overall financial stewardship of the organisation, and should not focus on an individual Service, Division or Function's financial requirements.
- 2.3 All officers employed by the Council must ensure that all financial transactions are Intra Vires and in line with these regulations.
- 2.4 Adult Health and Social Care – as a result of the Health and Social Care Integration legislation which came into force on the 1st April 2016, the Council is jointly responsible with the NHS for the Adult Health and Social Care of service users within North Lanarkshire. The legislation saw the creation of the North Lanarkshire Integration Joint Board (IJB), responsible for directing health and social care expenditure within the partnership area. North Lanarkshire Integrated Joint Board Members include North Lanarkshire councillors, senior officers in NHS Lanarkshire and stakeholder representatives from across the health and social care sector. As per the approved IJB Financial Regulations, the Council Section 95 Officer retains the duty to monitor and regulate the financial performance of the Council's share of available Board resources. As such, the Section 95 Officer retains the right to comment and make recommendations to the Board on the suitability of the IJB's Financial Regulations.
- 2.5 Priority will be given to the IJB's Financial Regulations first and foremost however where a situation arises that is not covered within those regulations, employees/members shall refer to the Council's Financial Regulations, or where required, obtain guidance from the Council's Section 95 Officer to ensure proper financial management.
- 2.6 At the time of update, consultation is ongoing in respect of Social Care reforms over the implementation of recommendations made by the Independent Review of Adult Social Care and the establishment of a National Care Service. The impact arising from the outcome of the consultation exercise and any subsequent reforms implemented will be considered as

part of future reviews of the Financial Regulations however until such time paragraph 2.5 remains relevant.

- 2.7 Arm's Length External Organisations (ALEOs) are used as an alternative way of delivering vital council services. This delivery involves the use of public funds therefore the Council has a statutory duty to demonstrate openness, transparency and accountability regarding the monies spent through these Arms-length bodies. These financial regulations are not applicable to arms-length bodies, which are separate legal entities with responsibility for their own stewardship and governance arrangements. However, to enable the Council to satisfy its public accountability duties, services must adhere to the Corporate Guidance on Arms-length bodies, and must ensure all Council relationships with such bodies properly comply with the principles contained within the Code of Guidance on Following the Public Pound. It is expected that due cognisance is given to the Council's approved Financial Regulations by respective ALEO Board/Management Teams, however it is their responsibility to ensure proper financial management and the development of appropriate Financial Regulations. The Section 95 Officer reserves the right to comment on the appropriateness of ALEO financial management and regulations to the respective Board/Management Team, as well as the Enterprise and Communities Committee.
- 2.8 Community Boards and Participatory Budgeting. A Framework for Working with Communities was approved by Policy and Strategy Committee in March 2020 which included the establishment of 9 Community Boards. It is intended that these boards will drive and support locality engagement and planning which will partly be achieved through optimising funding and resource opportunities to deliver and improve services in addition to supporting the development and implementation of Participatory Budgeting (PB). This will allow the community a voice in the decision making process of how money is spent. These financial regulations set out remain applicable in these arrangements.
- 2.9 Where potential ambiguity in the Financial Regulations arises, advice should be sought from the Council's Section 95 Officer. The Chief Officer (Finance) will provide advice to ensure the aims of the guidance is met and that the Council is in full compliance with financial management requirements.

3. DEFINITIONS

- 3.1 The following expressions are used throughout the Regulations with the following meanings:

3.1.1	Chief Officer	The Chief Executive, Deputy Chief Executive or Chief Officer, regardless of specific title. This includes the Chief Officer's authorised substitute(s), except in cases where it is stated that substitutes may not act. A Chief Officer may have different authorised substitutes, depending on the topic.
3.1.2	As delegated	Any grant of delegated powers by the Council to such persons as may be specified from time to time.
3.1.3	By the Section 95 Officer	By the <i>Section 95 Officer</i> , or under arrangements made by/ or approved by the Section 95 Officer, a Chief Officer or an external agency.
3.1.4	Records	All or any records, forms, books, documents, certificates, tickets or correspondence, whether on paper, on film, on computer file or any other medium.

3.1.5	Authorised signatories	<p>A Chief Officer may authorise officers within their service to commit the Council to obtaining goods, services and other items in respect of which expenditure may competently be incurred. These officers are known as Authorised Signatories. The Section 95 Officer will require the Chief Officers to confirm their lists annually.</p> <p>The list shall include specimen signatures, and where appropriate, specimen initials, persons whose authorisation is applied by some means other than manuscript, and the manner of their personal authorisation, and also specify the items which each officer is authorised to sign, and the financial limit on any one item.</p> <p>Any proposed amendment of the list must be notified immediately to the Section 95 Officer.</p>
3.1.6	Emergency	<p>An actual or potential emergency or disaster involving or likely to involve any or all of the following:</p> <ul style="list-style-type: none"> i) Danger to life or health ii) Serious damage to or destruction of property iii) Major financial penalties.
3.1.7	Service	<p>In addition to each recognised Council Service, "Service" includes those limited companies or other organisations which are wholly owned or controlled by the Council, and which have adopted the Council's financial regulations for their own use.</p>
3.1.8	Capital Expenditure	<p>Expenditure on the acquisition, creation or enhancement of fixed assets, provided it yields benefit to the Council for more than one year (reference CIPFA/LASAAC Code of Practice on Local Authority Accounting and Scottish Government Finance Circular No. 3/2018). It is the responsibility of officers to ensure expenditure in the capital programme is 'capital' as per proper accounting practices required by the Local Government Scotland Act 2003.</p> <p>The Council has set a de-minimis, for materiality, whereby no individual item of less than £10,000 will be regarded as Capital. However due notice should be given to groups of items which fall below the de-minimis as a single unit but should collectively be capitalised i.e. laptop refresh programme. It should be noted that items above the de-minimis are not necessarily capital and officers should refer to relevant Finance staff for guidance.</p>
3.1.9	Revenue Expenditure	<p>All expenditure which is not Capital.</p>
3.1.10	Virement	<p>A transfer of money between budget headings. Authorisation levels are outlined in the Financial Regulations.</p> <p>Virements shall not be used to:</p> <ul style="list-style-type: none"> • Mask overspend and underspend issues; • Apply underspends and over-recoveries of income without approval by the SCDG and Committee in line with authorisation levels; or • Reverse any decision made by the Council during its budget process unless subsequently approved by Council.

3.1.11	Contracts	As defined within the General Contract Standing Orders (effective from 1 January 2020)
3.1.12	Statutory Officer	Officers designated for particular statutory purposes as set out in legislation: <ul style="list-style-type: none"> • Section 95 Officer, Chief Officer (Finance) • Chief Social Worker, Chief Social Work Officer (Children, Families, Justice and Integrated Practice); and • Monitoring Officer, Chief Officer (Legal and Democratic)
3.1.13	Recovery Plan	Robust, affordable and sustainable plans to mitigate known financial burdens either, on a one-off or a recurring basis, presented to and agreed by Corporate Management Team.

4. RESPONSIBILITY FOR FINANCIAL ADMINISTRATION

4.1	Council	Ultimate authority over decision-making.
4.2	Finance and Resources	Committee responsible for financial decision-making.
4.3	Enterprise and Fair Work Committee, Environment and Climate Change Committee, Housing Committee, Regulatory Committee, and Finance and Resources Committee	Responsibility depending on service nature for the monitoring of specific ALEOs' financial, service and operational performance including risk management and to ensure effective governance is in place within the ALEOs.
4.4	Section 95 Officer (Chief Officer (Finance))	<p>To administer the financial affairs of the authority, as the proper officer for the purposes of Section 95 of the Local Government (Scotland) Act 1973, and in accordance with part 7 of the Local Government in Scotland Act 2003.</p> <p>To ensure the Council has put in place suitable arrangements to ensure compliance with the CIPFA Statement on the role of the Chief Financial Officer (CFO) in Local Government.</p> <p>To ensure the Council's financial management arrangements are in line with the Council's strategic policies, plans and objectives.</p> <p>To ensure all staff involved in financial management across the Council maintain professional accounting standards and comply with expected standards of conduct and integrity.</p> <p>To provide financial advice to the Council and its Committees, and monitor overall compliance with these Regulations.</p> <p>To obtain assurance regarding the financial governance arrangements of subsidiary companies, associate companies and partnerships which the Council is able to control or influence.</p>

4.5	Chief Officers	<p>To assist the Council and the Chief Executive at all times in achieving Best Value in the conduct of their service activities.</p> <p>Chief Officers are fully accountable for the financial performance of their service area, and must manage, monitor and control Service budgets in line with the Code of Practice on Local Authority Accounting and agreed timescales, ensuring compliance with Contract Standing Orders and Financial Regulations regarding their service activities.</p> <p>Except in an emergency, or as Delegated, to consult with the Section 95 Officer or relevant Business Finance Manager on any matter affecting their services which is liable to affect materially the finances of the Council before making any commitment, and before reporting thereon to a Committee.</p> <p>To maintain effective stewardship of their Services' funds, ensuring that all financial transactions undertaken are within their powers.</p> <p>To ensure appropriate management of risks associated with the delivery of effective financial management inherent in providing their service activities.</p> <p>To ensure the relevant Business Finance Manager (or their assigned deputy) is part of the Service's Senior Management Team (SMT) and provide them with the opportunity to attend all meetings.</p> <p>To liaise with the Chief Officer (Finance) or the nominated representative, regarding any appointments to or changes to the financial management establishment supporting their service activity.</p>
4.6	Statutory Officers	<p>The Financial Regulations should be strictly adhered to ensuring all expenditure incurred is within approved budgets. These regulations still apply when making professional judgements while carrying out a role. However in the instance that a statutory officer's judgement may lead to a breach in the Financial Regulations, the Section 95 Officer must be notified in the first instance and the level of breach reported to CMT thereafter with a Service Recovery plan to manage the additional spend.</p>

4.7	Partner Organisations	<p>Reflecting the nature of partnership arrangements and the drive towards Shared Services and possibly pooled budgets, elements of Council budgets may be delegated or shared with external organisations.</p> <p>Following approval from the Chief Officer (Finance), the Chief Executive or Chief Officer can delegate budget to an external organisation, providing the Section 95 Officer is satisfied that governance arrangements and responsibilities are clearly defined and that appropriate management controls regarding usage and monitoring of budget are in place.</p> <p>Chief Officers must ensure that all relevant staff are aware of and adhere to the Corporate Guidance on Arms-length, thereby ensuring the Council's relationships with ALEOs comply with the principles contained within the Code of Guidance on Following the Public Pound.</p> <p>This responsibility includes ensuring that the Council is clear as to the purpose of any financial support provided, that the funding is used in a manner consistent with good governance principles and that the Council can demonstrate that the organisation's achievements provide best value for that funding support.</p>
4.8	All Officers and employees	<p>All officers employed by the Council, or by an organisation associated with the Council, whether or not their financial statements are consolidated in the Group Accounts of North Lanarkshire Council, must ensure that all financial transactions are Intra Vires and are in line with Financial Regulations.</p>

5. POLICY AND STRATEGIES

There are some areas that require more detailed guidance or procedures. Although the specific detail is not included within these Financial Regulations, the expectation is that officers and Elected Members adhere to the requirements of these additional documents.

5.1	Financial Strategy	<p>Financial Strategy sets out the overarching framework for financial governance, planning and management. The aim is to ensure robust, affordable, sustainable and best value financial plans are developed to support decision making and prioritise the use of available resources.</p>
5.2	Revenue Resources Budget Strategy	<p>The key principles of the Revenue Resources Budget Strategy were approved by Policy and Strategy Committee in June 2019 and have been subject to annual review. The strategy sets out the Council's approach to budgeting and the identification of future saving ensuring the financial sustainability of the Council and the safeguarding of public funds. The strategy is underpinned by the financial regulations and its principles should be considered in conjunction with these where appropriate.</p>

5.3	Reserves Policy	In January 2020, Policy and Strategy Committee approved the Council's Reserves Policy which sets out the types of reserves held by the Council and their purpose; establishes procedures for governance of the reserves; outlines the circumstances for the utilisation of reserve balances; and outlines the approach taken to determine the appropriate reserve levels held by the Council.
5.4	Capital Strategy	The Prudential Code for Capital Finance in Local Authorities and good financial management practice requires Councils to produce a Capital Strategy. The Capital Strategy ensures the Council takes capital expenditure and investment decisions in line with the Council's priorities, service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.
5.5	Treasury Management Strategy	The Treasury Management in the Public Services Code of Practice requires the Council to produce and report Treasury Management policies, practices and activities on a regular and ongoing basis. This encompasses the preparation and approval of an Annual Treasury Management Strategy , which defines the arrangements for managing the Treasury Management function. The Strategy covers the Council's debt and investment projections; expected movement in interest rates; borrowing and investment strategies; Treasury Management performance indicators; and sets specific limits for treasury management activities.

6. CAPITAL EXPENDITURE

6.1	Capital Programmes	The Chief Officer (Finance) and the Chief Officer (Enterprise and Communities) will co-ordinate the Composite and Housing Capital Programmes respectively in accordance with any Government requirements as to timescale and the format, for presentation to the Policy and Strategy Committee, and Council thereafter for approval.
6.2	Capital Estimates	Once the programmes are approved, and provided that ministers do not use the powers available to them under s36 of the Local Government in Scotland Act 2003 to control capital expenditure limits, the figures for the first year of the Programmes become the official Capital Estimates for that year, reflecting committed projects and approved new projects. They will also include any preliminary expenses, design costs and land purchases, which are necessary prerequisites to projects included in year two of the Programmes.

6.3	Preparation	<p>With respect to the Composite Programme, the Strategic Capital Delivery Group (SCDG) shall provide all the information, in accordance with a timetable set by, and in a form determined by, the Chief Officer (Finance) when developing the Council's Capital Programme.</p> <p>Development of the programme is devolved to the Strategic Capital Delivery Group, in line with its Terms of Reference. Approval of the programme is required from the Council's Section 95 Officer prior to consideration by Council.</p>
6.4	Right to proceed	<p>After Council approval, subject to any further consents required, and subject to all other requirements of the Financial Regulations and Contract Standing Orders, Chief Officers may proceed with projects contained in the Estimates, unless:</p> <ul style="list-style-type: none"> (i) the tender cost or revised estimate exceeds the provision in the estimate, or (ii) the nature of the project has changed substantially from that originally envisaged. <p>In either case, approval must be sought from the SCDG, and will be granted only if the expenditure can be contained within the overall programme. Approval for adjustments in respect of the above must be reported to individual Service Committees and the Policy & Strategy Committee, subject to the approved limits set out in the SCDG Terms of Reference.</p>
6.5	Acceleration	<p>Projects contained within years 2-5 of the Programme can be introduced into the current year if they can be contained within the total resources only on the recommendation of the SCDG, in line with their Terms of Reference.</p>
6.6	Additional Projects	<p>Additional projects that are over and above the allocations approved in the Council's five year capital programme require specific consent in the first instance from the Chief Officer (Finance) and approval by the Policy and Strategy Committee.</p>
6.6	Duty regarding Approvals	<p>The spending Chief Officer (the Budget Holder) must ensure that all necessary approvals have been obtained before commencing any project.</p>
6.7	Revenue Effects	<p>Each Chief Officer, when making proposals on any capital project shall include a report, agreed with the Chief Officer (Finance), showing details of the revenue consequences (costs or savings) in the current and subsequent years, ensuring they are managed.</p>
6.8	Deviations	<p>Each Chief Officer (Budget Holder) must draw to the attention of the SCDG and the Spending Committee, in consultation with the Section 95 Officer any circumstance that may lead to a significant deviation from the approved Capital Estimates, either in expenditure or in income. In this context significant means £100,000 or 5%, whichever is the higher, of the Policy & Resources approved programme expenditure. The SCDG should authorise action designed to rectify the situation, and if they are unable to do so, the Chief Officer (Finance) must report the facts to the Spending Committee and the Finance and Resources Committee for consideration.</p>

6.9	Agents	Where an agent of any service, including a contractor, Council-controlled Company or Trust, identifies the probability of a significant deviation occurring, the agent is required to report the fact, including reasons for this deviation, to the appropriate Chief Officer (Budget Holder) immediately.
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7. REVENUE EXPENDITURE

7.1	Policy Guidelines	The Section 95 Officer will advise the Chief Officers of the Guidelines and timetable for preparing the annual revenue budget estimates.
7.2	Budget Estimates	The Chief Officer (Finance) will co-ordinate the preparation of the annual Estimates of Income and Expenditure in accordance with the Guidelines, ensuring compliance with the Council's priorities and targets within that planning time frame.
7.3	Preparation	Chief Officers will supply all necessary information to the Chief Officer (Finance), in accordance with a timetable set by and in a form determined by the Section 95 Officer, regarding the requirements of their services. Where relevant, such information will be supported by equality impact assessments.
7.4	Authorisation	The Revenue Budget Estimates will be submitted to Council for approval, together with recommendations as to the levels of Council Tax for the coming year.
7.5	Right to Proceed	After the Revenue Budget Estimates are approved, Chief Officers may proceed to incur that expenditure, subject to the contractual provisions of the Standing Orders and Financial Regulations and any other legal requirements in respect of contracts, except where any item has been specifically identified as requiring further Committee consideration and approval.
7.6	Further approval	Any proposals requiring Committee approval must include a report from the Chief Executive or spending Chief Officers, agreed by the Chief Officer (Finance), stating whether there is adequate provision in the Revenue Budget Estimates or not.
7.7	Additional Items	Expenditure not included in, or in excess of, the Revenue Budget Estimates, or income reduced from that included in the Revenue Budget Estimates, may be authorised in the following circumstances only:- (i) Where a Supplementary Estimate/budget has been approved by both the Spending Committee and Finance and Resources Committee, on receipt of a report from the Chief Officer (Finance) including details of any implications for policy or future years' spending; or (ii) In an emergency, where powers have been specifically delegated to officers for Building Control or Environmental Health (Food Safety) purposes, or with the approval of the Spending Committee and the Finance and Resources Committee as soon as possible thereafter, or (iii) Where adjustments to the budget have been approved in accordance with the provisions of these Regulations.

7.8	Contingency Sum	Where a Contingency Sum has been included in the Revenue Estimates, draws on the Contingency must be authorised by the Finance and Resource Committee, on the recommendation of the Section 95 Officer, except in an emergency situation when they may be authorised by the Chief Officer (Finance) in consultation with the Convenor of the Finance and Resources Committee. The facts are to be reported to the Finance and Resources Committee as soon as possible thereafter.
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8. BUDGETARY CONTROL

8.1	Information	<p>The Section 95 Officer will establish a reporting template which each Chief Officer shall use to compile both their Capital and Revenue Budget Monitoring reports.</p> <p>The reports will detail actual and projected expenditure and income against year to date and annual budgets. The contents of the report must be confirmed by the Chief Officer (Finance) and submitted to the appropriate committee at each cycle.</p> <p>The Section 95 Officer will also present an overall summary of the council's budgetary position regarding Capital and Revenue expenditure to the Finance and Resources Committee.</p>
8.2	Control	<p>Each Chief Officer must ensure that sums provided in the budget, whether revenue or capital, are not exceeded, and that all expenditure conforms to requirements of the Standing Orders and of these Regulations.</p> <p>No Chief Officer or official may incur expenditure unless:</p> <ul style="list-style-type: none"> (a) It is a capital expense approved in line with the SCDG Terms of Reference; (b) It is a revenue expense approved as part of the revenue budget under 5.4 of these Regulations; (c) The expense has been authorised as supplementary through one of the mechanisms outlined in paragraph 5.7 of these Regulations. <p>Any official proposing to incur revenue or capital spending which is not included within approved budgets must seek approval for a supplementary budget before incurring such expenditure.</p>
8.3	Deviations	<p>Each Chief Officer (Budget Holder) must draw to the attention of the Spending Committee, in consultation with the Chief Officer (Finance), any circumstance that may lead to a significant deviation from the agreed subjective headings used for budget monitoring purposes, either in expenditure or in income. In this context significant means £100,000 or 5%, whichever is the higher, at divisional summary subjective account code level. Services must clearly outline the action required to rectify significant deviations and where relevant, must also highlight the impact this has on other budget headings. The Committee must authorise action designed to rectify the matter, and if they are unable to do so the Section 95 Officer must report the facts to the Finance and Resource Committee for consideration.</p>

8.4	Virement	A Chief Officer may transfer money between approved Capital & Revenue expenditure budgets, but must ensure the nature of such transfers is clearly outlined in monitoring and committee reports, where applicable. The rules for virement of Revenue budgets apply to transfers at divisional summary subjective account code level e.g. Environment & Estates division property costs. The rules are as follows:
8.4a	Revenue Virement	<p>Must comply with the definition of a virement as per Section 3.1.10.</p> <ul style="list-style-type: none"> i) Up to £50,000 in consultation & agreement with both the Chief Officer and Section 95 Officer; ii) £50,001-£100,000 following consultation & agreement with the appropriate Convenor and thereafter with the agreement of the Section 95 Officer; iii) Over £100,000 on the recommendation of the Spending Committee, and following notification to the Section 95 Officer, either in the form of a specific report to that Committee or requested within Budget Monitoring reports; iv) For Educational Establishments under Devolved School Management, the notes for virement are laid down in their schemes of delegation; v) The Chief Officer (Enterprise and Communities) may transfer either £100,000 or up to 20% (whichever is higher) of the total Repairs Budget between Repairs Budget headings without recourse to Committee; vi) Regardless of purpose, budget transfers which impact a future year or years require the approval of the Policy and Strategy Committee.
8.4b	Capital Virement	<p>Capital Virements will be made in line with the SCDG Terms of Reference, in conjunction with the Chief Officer (Finance).</p> <p>Where this ceases to be the case, capital virements should match the requirements outlined in Section 8.4a (Revenue Virement). Virements will be classed as those reported at project level, as outlined in the Councils Composite 5 Year Capital Programme approved at Policy and Strategy Committee on the 14th March 2024 (updated for Committee annually).</p>
8.5	Inter-Service Recharges (Revenue)	<p>Clear documentary justification should be available to the budget holder to support and substantiate any service recharges.</p> <p>Inter-Service Recharges should not be treated as External Income and should utilise a relevant Internal Recharge code. Where required, guidance should be sought from Finance staff.</p>
8.6	Inter-Service Recharges (Capital)	<p>Clear documentary justification should be available to the budget holder to support and substantiate any service recharges.</p> <p>Chief Officers must also ensure that any recharges to capital are in line with capital guidance/code as outlined in these Financial Regulations.</p> <p>Where Inter-service recharges to capital do not meet the definition of capital these must be funded through revenue sources.</p>

9. LEGALITY OF EXPENDITURE

9.1	Legality Expenditure	of	Chief Officer must ensure that any proposed expenditure is within the legal powers of the Council. If in doubt, the Monitoring Officer – Chief Officer (Legal and Democratic) – should be consulted.
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10. INCOME

10.1	Setting of Charges		With the exception of charges imposed by Law and those which are deemed the responsibility of the Council's Charitable Trusts, all alterations to charges require advance approval of the relevant Committee.
10.2	Review of Charges		All Chief Officers shall review their service charges annually in the light of inflation and report the outcome of the review to the Chief Executive and the Section 95 Officer. In line with the principles of the Revenue Budget Strategy, where possible Chief Officers should aim for full cost recovery.
10.3	Debtors Control		Each Chief Officer shall make arrangements for the issue and follow-up of accounts and the collection, control and banking of all monies due to the Council.
10.4	Notification Income	of	Chief Officers will provide prompt and full particulars of charges made for work, supplies, goods or services, or other sums due to the Council to, and in a form approved by, the Chief Officer (Finance), to ensure the proper recording and prompt collection by them , or under arrangements approved by them , of all monies due.
10.5	Write-offs		Any proposal to write off sums due to the Council requires the following approvals: (i) For individual sums of less than £500, the relevant Chief Officers and the Chief Officer (Finance), with an annual report to the Finance and Resources Committee for information; (ii) For individual sums of £500 or over, the Spending Committee and the Finance and Resources Committee.
10.6	Money Collection		All monies collected in any service must be recorded and deposited, without delay, with the Section 95 Officer or in a Bank in accordance with their instructions. No deductions may be made from income without the specific authorisation of the Chief Officer (Finance).
10.7	Personal cheques		Personal cheques will not be cashed out of monies held on behalf of the Council.
10.8	Grants		Where appropriate, the Section 95 Officer shall be advised of all relevant information necessary to allow the submission of all applications for Grants due to the Council. Where applications are submitted directly by the Chief Executive or Chief Officers, they shall be responsible for their timeous and accurate submission. Where Chief Officers, and those with devolved responsibility, are responsible for grant submissions, they are required to advise and provide evidence to relevant Finance staff of the grant application.

10.9	Controlled Stationery	All receipt forms, books, tickets and other such items shall be ordered and supplied to services by the Section 95 Officer, or by arrangements approved by them.
10.10	Transfer of Money	All such transfers between staff will be evidenced in the records of the Services concerned by the signature of the receiving officer.

11. TREASURY MANAGEMENT

11.1	CIPFA Code of Practice	The Section 95 Officer – Chief Officer (Finance) - to ensure the Council adopts the key clauses within Section 5 of CIPFA's "Treasury Management in the Public Services" Code of Practice (the Code) and most up to date revisions to the Code.
11.2	Treasury Management Policy Statement and Practices	The Section 95 Officer must arrange for the creation and maintenance of a Treasury Management Policy Statement and Treasury Management Practices, which identify the manner in which the Council shall manage and control its Treasury Management activities.
11.3	Prudential Code for Capital Finance in Local Authorities	The Chief Officer (Finance) is responsible for establishing a control framework that complies with the requirements of the Prudential Code for Capital Finance in Local Authorities, and for regular monitoring of prudential indicators during the financial year.
11.4	Investment Strategy	In accordance with the Local Government Investments (Scotland) Regulations 2010, the Section 95 Officer must arrange for the creation and maintenance of an Annual Investment Strategy and Annual Investment Report. Council funds shall be invested in accordance with the approved annual investment strategy and shall be held in the name of the Council.
11.5	Borrowing and Investment	All borrowing, investment and leasing including that related to Trust and Charitable Funds, will be under the control of the Chief Officer (Finance) in accordance with the provisions of the aforementioned Code of Practice on Treasury Management, Prudential Code for Capital Finance in Local Authorities, Treasury Policy Statement and Treasury Management Practices, all of which have been adopted by the Council.
11.6	Leasing	Services must obtain the approval of the Chief Officer (Finance) before entering into any leasing agreements (operational and finance) with a finance company. Leases affected must be in the Council's name. Leases must be reviewed with Finance staff and reported to the Treasury, Capital and Controls team to ensure compliance with proper accounting practices (IFRS 16). Where guidance is required, Finance staff and the Treasury, Capitals and Controls team will provide support.

12. BANKING

12.1	Bank Accounts	All arrangements with the Council's Bankers shall be made by the Chief Officer (Finance), who shall be authorised to open such bank accounts as they may consider necessary.
12.2	Cheques	All cheques required to support the banking arrangements of Council-operated Services shall be ordered only on the authority of the Section 95 Officer, who shall make proper arrangements for their safe custody.
12.3	Signatures	With reference to 12.2 above, all cheques, excluding those required by Charitable Trusts, shall be signed by the Chief Officer (Finance); manual cheques may be signed by other responsible persons, per the Councils bank mandate, specified by the Section 95 Officer, on their behalf.
12.4	Petty cash	There are separate arrangements for the operation of petty cash Accounts. These are described in Regulation 20.
12.5	Credit Cards	Any requests for a corporate credit card must be made in accordance with the Councils Corporate Credit Card Policy with all aspects of the policy properly adhered to. Misuse of credit cards will result in action under the Council's disciplinary procedures.
12.6	Purchase Cards	Purchase cards will be issued only where there is a clear business benefit or need. Their issue will be approved by service managers and the cardholders will need to agree to the terms of their use. Restrictions on their use will normally be applied and will be coded into the card itself. Misuse of purchase cards will result in action under the Council's disciplinary procedures. The Chief Officer (Finance) is responsible for overseeing the issue and use of cards as well as associated VAT compliance.
12.7	Direct Debits/Standing Orders	All direct debit instructions and standing orders approved for payment by Services must be authorised by the Chief Officer (Finance).
12.8	Banking Contract	All services provided by the bank in relation to the management of the Council's bank accounts and the issue of cheques shall be renewed periodically by a competitive tendering process.

13. PAYROLL

13.1	Payment	Payment of all wages, salaries, travelling and subsistence expenses and other Payroll items will be made by the Chief Officer (People Resources), with delegated authority from the Section 95 officer.
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13.2	Information	The Chief Executive, Chief Officers, or other officer where appropriate, will provide to the Section 95 officer, delegated to the Chief Officer (People Resources), in accordance with a timetable laid down by, and in a form approved by them , information regarding appointments, resignations, dismissals, promotions, increments, pay awards, hours worked, overtime, sickness, travel and subsistence and any other items affecting the remuneration of employees, or essential to maintain records regarding Tax, National Insurance and Superannuation.
13.3	Certification	All payroll information must be supplied by Authorised Signatories. Signatories are certifying that the information is accurate and that any overtime and expenses relate directly and exclusively to the Council's business.
13.4	Payment method	The normal method of payment shall be by the Bankers Automated Clearing System (BACS). Where this is not possible, payment will be made by cheque or under special circumstances by prior agreement with the Treasury, Capital and Controls team using online banking payment services e.g. faster payment, CHAPS.

14. PAYMENT OF CREDITORS

In conjunction with Internal Audit, a number of interim arrangements have been put in place to allow the continuation of payments to creditors whilst a large proportion of staff work from home. The key principles set out in these regulations stand however where a working from home arrangement is in place this will be displayed in *italics*.

14.1	Ordering	Chief Officers are responsible for ordering goods and / or services for their Services, which shall be carried out in accordance with the Council's contract standing orders, approved procurement strategy and guidance notes.
14.2	Electronic Purchase Order Processing	Where available, Services shall use PECOS or other approved electronic procurement systems for all purchases. Services using electronic procurement systems must use electronic order forms for all purchases, which require to be authorised electronically by an authorised signatory. Where an urgent order is made by letter or on the telephone, an electronic order form must subsequently be sent in confirmation within a day of the request
14.3	Manual Purchase Order Processing	Manual purchase orders should only be used where Services do not have access to PECOS or other approved electronic procurement systems. Official Order Forms will be used for all purchases and must be signed by Authorised Signatories. Where an urgent order is made by letter or on the telephone, an official order form must subsequently be sent in confirmation <u>within a day of the request</u> .

14.4

Certification

Chief Officers will arrange for the certification of invoices and other equivalent payment vouchers received from suppliers, contractors, or generated from Service systems, and remit them, physically or electronically, to the Chief Officer (Finance) for payment. In making these arrangements, Chief Officers must have regard to the need for Internal Check (19.3 below). Authorised Signatories are certifying that:

- the goods or services included are as ordered,
- the payment is properly due under the terms of any contract, and that the prices, all arithmetical details are correct, and all contract documents are available for inspection should they be requested. This should include sufficient evidence to justify annual price increases and tables of agreed charges where appropriate, and the expenditure has been properly incurred.

In addition, they are also confirming that they have delegated authority to certify payment to the value of each individual invoice or equivalent payment voucher enclosed in the batch.

The Chief Officer (Finance) is responsible for overseeing the compliance of creditors payments certification with any issues reported to the Section 95 Officer where appropriate.

Arrangements have been put in place to facilitate the authorisation of invoices whilst staff work from home. This process requires dual authorisation through email with the following certification statement:

Certification Statement

I confirm that I am certifying payment of the enclosed invoices or other equivalent payment vouchers in accordance with North Lanarkshire Council's current Financial Regulations and that:

- (a) The goods or services included are as ordered;
- (b) The payment is properly due under the terms of any contract and that the prices and all arithmetic details are correct; and
- (c) The expenditure has been properly incurred.

I also confirm that I have delegated authority to certify payment to the value of each individual invoice or equivalent payment voucher enclosed in this batch.

- Contract documents are available for inspection, should they be required, which confirm relevant contract details to support the payment, including evidence supporting annual price increases and tables of charges.

Total Count of invoices or other equivalent payment vouchers being certified: _____

Total Gross Value of invoices or other equivalent payment vouchers being certified: _____

		<p>Certified by: _____ (print name)</p> <p>_____ (date)</p>
14.5	Certification of Cheque request forms	<p>All payment / cheque requests must be made using the Standard Template and must be authorised by two different authorised signatories (i.e. officers with the appropriate level of delegated authority per the authorised signatory list). As with invoice certification, authorisation by email is acceptable.</p> <p>Once the Standard Template has been completed, it should be saved as a PDF (so that it cannot be amended) and sent to the first authorised signatory, with the email subject stating 'Request for payment / cheque'. The first authorised signatory should check the form and be satisfied that it should be processed for payment.</p> <p>Once satisfied that the form should be processed for payment, the first authorised signatory should forward the email to the second authorised signatory for checking and agreement. Once agreed, the second authorised signatory should then forward the email to CreditorsDPMailbox@northlan.gov.uk for processing, ensuring that the email trail clearly indicates the dual authorisation process.</p> <p>As this is the authorisation process, any payment / cheque requests which do not follow this process and clearly show the dual authorisation process will not be processed for payment and will be returned to the sender's mailbox.</p>
14.6	Payment	<p>All invoices and other equivalent payment documents, with the exception of petty cash items, may only be paid by the Section 95 Officer who may carry out such additional checks as deemed necessary. Petty cash items are covered by Regulation 18.</p>
14.7	Alterations	<p>In the unlikely event that a voucher has to be altered, this should be done by an Authorised Signatory, clearly, by stroking out and correcting in ink. Correcting fluid must not be used. Invoices must not be altered by staff, but must be sent back to the supplier for correction.</p>
14.8	Payment method	<p>The normal method of payment shall be by the Bankers Automated Clearing System (BACS). Where this is not possible, payment will be made by cheque following written confirmation with the Creditors Section or under special circumstances by prior agreement with the Treasury, Capital and Controls team using online banking payment services e.g. faster payment, CHAPS.</p> <p>Note that arrangements for same day faster payments must be notified to the Treasury, Capital and Controls team before 10am on the required day.</p>

14.9	Payment Timing	Every effort will be made to adhere to any payment timetable stipulated in contracts (including Small, Medium Enterprises currently on 20-day terms), or otherwise within 30 days. Where special circumstances exist for a contract's payment terms, these must be notified in writing to the Creditors Section by the appropriate authorised signatory. Chief Officers should pass certified invoices to Finance within 20 days of receipt. Finance should process properly certified invoices within 5 days of receipt.
14.10	Certification of urgent payments	All invoices that are overdue and presented late to creditors should be submitted individually by email. If a service wishes these overdue invoices to be treated as urgent, the invoice certification checks and reviews should be carried out as usual, however, the authorisation for payment of these invoices must be submitted to creditors by email to 'Data Processing Mailbox – Creditors' by the Chief Officer responsible for that area of business directly, with the subject line 'Urgent Payments – Invoices Overdue'. The following text must be added to the body of the email, "I authorise the attached batch containing xx invoices/documents to the value of £xx.xx to be processed for payment. These invoices are already overdue and should be treated as urgent because"

15. CONTRACTS

15.1	Register	Chief Officers shall maintain records of all contracts relevant to their Services and payments made. The Chief Officer (Finance) shall have access to all such records.
15.2	Payments contracts) (re	Payment Certificates to Contractors may be signed only by Authorised Signatories.
15.3	Variations	Subject to the conditions of contract in each case, every variation shall be authorised in writing by the appropriate Chief Officer (Budget Holder) or private professional or consultant as appropriate, or by other officer nominated by them, or, in special circumstances, by other officer approved by the Section 95 Officer.
15.4	Significant Variations	Any variations where the outturn/expected costs exceed the tendered contract price by the higher of £25,000 or 5%, or where the outputs/outcomes achieved by the expenditure differ significantly from those originally envisaged, shall be reported by the appropriate Chief Officer (Budget Holder) to the relevant Spending Committee at the earliest opportunity.
15.5	Time Delay	Where completion is delayed beyond the agreed timescale, the Chief Officer (Budget Holder) shall, in consultation with the Monitoring Officer – Chief Officer (Legal and Democratic) - take appropriate action in regard to liquidate ascertained or other damages.

16. SECURITY

16.1	Responsibility	All Chief Officers are responsible for maintaining proper security over all buildings, stores, furniture, equipment, cash, etc., under their control. Chief Officers will consult the Section 95 Officer when advice may be required, concerning existing or new situations.
16.2	Cash Holdings	Chief Officers will agree limits for cash holdings on their premises with the Section 95 Officer. These may not be exceeded without the prior written agreement of the Chief Officer (Finance).
16.3	Key holders	Chief Officers must ensure that keys for safes and similar receptacles for cash or other valuables are securely controlled by persons specified as key holders. Each Chief Officer will keep a register of key holders. Any loss of such keys must be reported to the Chief Officer (Finance) immediately upon discovery of loss.
16.4	Controlled Stationery	The Chief Officer (Finance) shall ensure that secure arrangements are in place for the custody and issue of pre-printed/pre-signed cheques, and any other stocks of stock certificates, bonds, and any other valuable financial documents.
16.5	Retention Documents	of Chief Officers are responsible for the safekeeping and control of all documents in their services. The Section 95 Officer in consultation with the Monitoring Officer will specify the retention period for documents of a financial nature, which is prescribed within the NLC Retention Schedule.
16.6	Data Protection	Personal data (both manual and computerised) held by the Council may not be used for any purposes other than those which are registered by the Council under the Data Protection Act 1998. The Council has a duty to respond timeously, within 40 days, to requests for information ("Subject Access Requests"), provided that the conditions contained in the Data Protection Act 1998 are met. The Service receiving the request should deal with the subject access request and maintain a record of information provided in respect of all subject access requests, in accordance with the Council's Data Protection Policy. The above applies with reference to subsequent amendments to the Data Protection Act 1998 to take account of General Data Protection Regulations.

17. STORES AND INVENTORIES

17.1	Storekeeping	Chief Officers are responsible for the safe keeping and control of all stocks and stores in their Services and must arrange for regular stocktaking.
17.2	Adjustments	Where a Chief Officer has had to make adjustment for stock surpluses or deficiencies, a report must be submitted to the Spending Committee and the Finance and Resource Committee specifying the reasons for the adjustments and the amounts thereof.
17.3	Disposal equipment	of A Chief Officer who has equipment, furniture or stock surplus to requirements (excluding ICT equipment) should first offer it to other Chief Officers. Thereafter, Chief Officers wishing to dispose

		<p>of surplus items shall do so by sale advertised in the press, either by sealed offer or by public auction. Any proposals for a different method of disposal must be approved by the Section 95 Officer.</p> <p>Assets which are obsolete or beyond economic repair, and whose individual estimated value at the date of disposal is less than £1,500, can be disposed of by the Service without prior approval by the Section 95 Officer provided that the disposal of each item has been authorised by the relevant Chief Officer.</p>
17.4	Disposal of ICT equipment	Where a Chief Officer has ICT equipment that is surplus to requirements, obsolete or beyond economic repair, their nominee shall contact the IT Service Desk to ensure that all data is safely removed and the equipment disposed of in accordance with the Council's IT policies.
17.5	Stock Levels	Stocks and stores must not be in excess of normal requirements. Chief Officers wishing to make exceptional arrangements must seek the authority of the appropriate spending Committee.
17.6	Inventories	Chief Officers must maintain inventories, in a form specified by or approved by the Chief Officer (Finance) and must have them checked annually.
17.7	Removal	Council property, excluding portable devices (e.g. Laptops), may not be removed from Council premises without the written authority of the appropriate Chief Officer. Line management approval must be obtained prior to removing portable devices from Council premises.
17.8	Valuations	Chief Officers shall supply to the Chief Officer (Finance) annually, certified and dated copies of stock lists and inventories required for the closing of the Accounts.

18. INSURANCE

18.1	Insurance	Where insurance is the chosen option, the Chief Officer (Finance) shall effect and maintain suitable cover, and will put in place suitable arrangements for the negotiation of any claims, in consultation with other Chief Officers.
18.2	New Risks	<p>Chief Officers must immediately notify the Chief Officer (Finance) of:</p> <ul style="list-style-type: none"> i) any new Service activities or practices which could have a significant effect on the potential liability of the Council to other parties so as to allow for effective insurance arrangements; or ii) any changes to the Council's asset portfolio which will affect the level of cover required for Council owned property i.e. significant additions or deletions of premises, so that the Chief Officer (Finance) can change the level of cover in place.
18.3	Insurance Management Risk	The Chief Officer (Finance) shall, at not less than five-yearly intervals, submit to the Finance and Resources Committee an insurance risk management and funding strategy.

18.4	Losses	Chief Officers must immediately notify the Section 95 Officer of any losses or other events likely to lead to a claim, who is responsible for taking appropriate action after liaising with the relevant Chief Officer.
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19. ACCOUNTING PROCEDURES

19.1	Systems and Records	The Chief Officer (Finance) shall specify or approve all accounting systems and records of the Council, wherever kept.
19.2	Principles	All systems will be designed in accordance with best practice, and will incorporate internal controls to ensure that, as far as possible:- (i) all income of the Council is promptly and properly recorded and collected, (ii) all expenditure of the Council is properly incurred, authorised and duly paid, (iii) all cash, stores and other assets of the Council are safely kept and controlled, (iv) due cognisance of the Section 95 Officer's requirements in respect of reconciliations, audit trails and control, and (v) Finance should be directly involved at the tender, implementation and post-implementation review of new internal control and recording systems to ensure they comply with the above requirements.
19.3	Internal check	As far as possible, segregation of duties should occur among employees so that:- (i) the calculation, recording or certification of sums due to or by the Council should not be in the hands of one person, (ii) those who calculate, record or certify sums due to or by the Council should not be involved in the eventual receipt or payment of those sums, and (iii) those who examine or check cash transactions should not be directly involved in those transactions (iv) all checking and authorisation undertaken by officers must be evidenced by initials or signature. Where segregation of duties is not possible, direct line managers should be made aware and the associated risk included on the relevant Risk Register.
19.4	Provision of Information	Chief Officers will supply to the Section 95 Officer, in accordance with their timetable, all information necessary, including that relating to ALEOs, to enable them to close the Council's Accounts by the statutory date each year. The statutory date is currently 30 June. Final Audited Accounts of Council Subsidiary Companies should also be made available to allow the Council to comply with the statutory deadline of publishing those accounts on the Council website by 31 October each year as per the Local Authority Accounts (Scotland) Regulations 2014.

19.5	Statutory Accounts Audited Annual Accounts Deadlines	<p>The Chief Officer (Finance) requires the attendance and signature of the following members and officers by the statutory completion date:</p> <p>Chief Officer (Finance); Chief Executive; and Council Leader.</p> <p>The Annual Accounts require the signature of the Leader of the Council and the Chief Executive directly following the approval at the Council's Audit and Scrutiny Panel. Approval of the accounts for signature should be no later than 30 September unless special/temporary legislation states otherwise.</p>
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20. CASH ADVANCES – GENERAL AND IMPREST

20.1	Responsibility	<p>The Chief Officer (Finance) shall provide cash advances to those who require them for the purpose of minor items of expenditure. The Advance for Officials Expenses form should be completed by the relevant officer and signed by their authorised Service Contact and countersigned by the relevant Finance accountant. Whilst working from home, this process can be completed through email authorisation with a clear trail shown between appropriate personnel. The completed form should be emailed to the “cash advances” mailbox ready for an officer to collect from their preferred First Stop Shop – Motherwell, Wishaw, Coatbridge or Kilsyth.</p> <p>All receipts to support the spend should be retained and returned with any cash remaining from the advance within 1 month of the cash advance being received.</p>
20.2	System – Imprest	<p>The particular bookkeeping system in use for petty cash in all Services is the Imprest System, and those who have cash advances are referred to as imprest holders.</p>
20.3	Rules – Imprest	<p>Imprest accounts will be operated to rules set by the Section 95 Officer. These will be notified to all imprest holders, and must be strictly adhered to.</p>
20.4	Termination Imprest –	<p>Any imprest holder who leaves the Council's employment or through any other circumstances ceases to be entitled to be an Imprest Holder, must account to the Section 95 Officer for the amount of the advance.</p>
20.5	Payment Method – Imprest	<p>Imprest holders may make payments in cash or by cheque drawn by them on their respective Imprest Bank Accounts.</p>

21. AUDIT

21.1	Responsibility	<p>The Section 95 Officer and Chief Officer (Audit and Risk) shall ensure the adequacy and effectiveness of the Council's internal controls including financial and operational controls, risk management systems and key governance processes are independently reviewed on a regular basis in accordance with the Public Sector Internal Audit Standards and associated Local Government Application Note.</p> <p>Internal Audit will operate in a manner consistent with the Internal Audit Charter which explains in more detail its purpose, authority and responsibilities. This document is reviewed annually and is approved by the Section 95 Officer, the Chief Executive and the Audit and Scrutiny Panel.</p>
21.2	Access	<p>Internal Audit staff have authority to:-</p> <ul style="list-style-type: none">(i) enter all Council premises or land at all reasonable times,(ii) have access to all records,(iii) require and receive any explanations necessary concerning any matter under investigation, and(iv) require any employee to produce cash, stores or other property under that employee's control.
21.3	Value for Money	<p>Internal Audit staff will contribute in an appropriate manner to the achievement of value for money in Council services.</p>
21.4	Irregularities	<p>Chief Officers must report any evident or suspected irregularity involving cash, stores, expenditure, income, contractual powers or any other item of a financial nature, immediately, to the Audit and Risk Manager.</p>
21.5	Reporting	<p>The Chief Officer (Audit and Risk) shall report on Audit activity to the Chief Executive, Section 95 Officer and the Audit and Scrutiny Panel.</p>
21.6	External Audit	<p>External Audit staff must be given access by Services to all relevant records required to enable them to conduct the external audit of the Council in accordance with the Code of Practice issued by Audit Scotland. Where staff are unsure about providing access, advice should be sought from the Section 95 Officer.</p>

22. MEMBERS' REMUNERATION AND EXPENSES

22.1	Responsibility	<p>The Section 95 Officer shall be responsible for the administration of expenses and remuneration to members of the Council in accordance with Scottish Government Regulations.</p>
22.2	Payment	<p>Payment to members, including co-opted members, will be made by the Chief Officer (Finance) in accordance with the Regulations, upon receipt of the prescribed form duly completed, where appropriate. All claims for a financial year are to be submitted within one month after 31st March of that financial year.</p> <p><i>Working from home arrangements require claim forms to be received electronically.</i></p>

23. FINANCIAL REGULATIONS

23.1	Authority	These Regulations were approved by the Committee in May 2018 and have been subject to annual review since.
23.2	Responsibilities	Chief Officers are responsible for ensuring that all appropriate members of staff, and where appropriate, external consultants, contractors and relevant partner organisations, have access to the Council's Financial Regulations and Contract Standing Orders.
23.3	Breach	Any employee discovering a possible breach of these regulations must report the matter immediately to their Chief Officer, who must in turn immediately report it to the Section 95 Officer. Failure by any employee to comply with the Regulations, or, in the case of staff with appropriate supervisory responsibilities, failure to ensure the compliance of others, can be a serious offence which may give rise to action.
23.4	Special Provisions	The Education, Children and Families Committee may request amendments to these Regulations insofar as they apply to the devolved Management of Resources by educational establishments, in consultation with the Chief Officer (Finance), and reported to the Finance and Resource Committee.
23.5	Annual Review	The Chief Officer (Finance) will consider these Regulations annually, and having consulted the Chief Executive, Chief Officers and Chief Accountable Officer for Health and Social Care, will present proposals for revision of the Regulations, where appropriate, to the Finance and Resource Committee for approval.
23.6	Circulation	Electronic copies of these Regulations are issued directly to the Chief Officers. In addition, the document can be accessed on the Council's Intranet, or via the Council's Minutes, Agenda and Reporting system – Finance and Resource Committee.
23.7	Advice	Any queries regarding the Regulations or their interpretation should be made in the first instance to the Chief Officer (Finance), or your relevant Finance contact who can refer any queries on to the relevant officer for review.

FINANCE
SCHEME OF DELEGATION
FINANCIAL MANAGEMENT RESPONSIBILITIES

1. Section 95 Officer

- 1.1. The Council, in terms of Section 95 of the Local Government (Scotland) Act 1973, has designated the Chief Officer (Finance) as the officer responsible for the proper administration of the Council's financial affairs, and nothing in this Scheme alters that responsibility. However, to enable the Section 95 Officer to fulfil his/her responsibilities in the most effective manner and to ensure that there is no ambiguity in relation to accountability, it is necessary for each level of management to delegate formally, and to issue a clear statement detailing, operational responsibility.
- 1.2. The Chief Officer (Finance), as Section 95 Officer, has the following specific responsibilities:
 - 1.2.1. To ensure the accurate and timeous preparation of the Council's Revenue Estimates, Medium-term and Long-term Financial Plans as appropriate, Capital Programmes and Statutory Accounts; all in accordance with laid-down timetables and procedures.
 - 1.2.2. To report the summary position for both revenue and capital budgets at each committee cycle, with the intervening reports being presented to the Corporate Management Team.
 - 1.2.3. To ensure reports are prepared by Service based Finance personnel in consultation with budget managers, in accordance with the Financial Regulations and ensure they are presented to the relevant Committee of the Council.
 - 1.2.4. To ensure that all government and other external reporting body returns (POBE, LFR's, Whole of Government Accounts, Prudential Code Indicators, Capital Expenditure and Income Statistics etc.) and Grant claims are submitted to the appropriate body by the due dates.
 - 1.2.5. To ensure the development of Finance's response to Best Value as set out in the Local Government Act 2003.
 - 1.2.6. To review government grant mechanisms, identifying areas of potential review, and research alternative methods of funding.
 - 1.2.7. Ensure the development of financial and management systems.
 - 1.2.8. Maintain, review and update financial policies to reflect the corporate priorities of the Council.
 - 1.2.9. To ensure that the Council has an appropriate Treasury Management Strategy which complies with recommended best practice and accords with the CIPFA Code of Practice and Prudential Code for Capital Finance.
 - 1.2.10. To ensure that the Council's Loans Fund and day to day borrowing and investment arrangements are in line with the statutory Annual Investment Strategy, and to report the Council's Treasury Management Performance to Committee as required.
 - 1.2.11. To ensure that professional standards and staff performance are maintained by all staff delivering financial services.

- 1.2.12. To ensure that appropriate access to training needs is available to enable staff to achieve their potential.
- 1.2.13. To ensure that a library of standard financial and accounting procedures is maintained for each Service, Trading Activity, Trust and other body such as a Private Company, in which the Council has a financial interest.
- 1.3. The Chief Officer (Finance) has delegated the areas of responsibility described in this Scheme of Delegation to specified officers of Finance. In fulfilling any responsibilities delegated to them, specified officers will:
 - 1.3.1. Conform with professional guidelines and standards of competence;
 - 1.3.2. Comply with recognised accounting codes of practice.
 - 1.3.3. Act in a professional and competent manner.
 - 1.3.4. Seek to ensure that members of their staff do the same.
- 1.4. Specified officers will not sub-delegate any of their delegated responsibilities without the written consent of the Chief Officer (Finance). Duties may be sub-delegated, but not responsibilities.

2. Specific Delegation to Officers

- 2.1. The items listed in Section 2 of this Scheme of Financial Delegation are not to be regarded as an exhaustive list of the responsibilities of the specified officers. The Scheme must be read in conjunction with the officer's Contract of Employment, Job Description and Professional Codes of Conduct.
- 2.2. The Chief Officer (Finance) has made the following specific delegations in respect of the provision of Finance.

2.3. Business Finance Manager

- 2.3.1. Develop strategic business plans and manage service delivery consistent with these plans and in line with national and council policies.
- 2.3.2. Ensure best value in the management and delivery of services under direct control, ensuring that all relevant legislative requirement and professional standards are fulfilled and the best available assistance and advice is provided to Chief Officers within a changing economic and legislative environment.
- 2.3.3. Monitor along with other members of the Management Team, the external environment to ensure continued strategic fit between organisational capabilities and the changing demands upon the service.
- 2.3.4. Identify and develop opportunities for service improvement through collaborative projects/joint ventures with partner agencies.
- 2.3.5. Represent the Service and Council as necessary, including attendance at all relevant committees of the Council, working groups, conferences, seminars and meetings.
- 2.3.6. Provide support to national activities, including COSLA and Scottish Government as required.
- 2.3.7. Provide performance information and the preparation of reports for Council Committees, Sub Committees and working groups as required.
- 2.3.8. Promote and develop the use of options appraisal and other business and analytical techniques in support of continuous improvement.

- 2.3.9. Support Chief Officers to ensure the effective and efficient deployment of financial resources within Services.
- 2.3.10. Ensure employees adhere to the Council's Financial Regulations and Scheme of Financial Delegation and ensure probity in the use of financial resources.
- 2.3.11. Manage the accounting and audit process, ensuring adherence to council financial policies and procedures, legislative requirement and professional standards.
- 2.3.12. Ensure effective operational financial management of revenue and capital budgets and establish and maintain systems whereby budget managers regularly account for the budgets under their control.
- 2.3.13. Provide financial management information and professional advice, direction and support to delegated budget holders on all financial matters.
- 2.3.14. Monitor, measure and report on financial performance according to agreed performance indicators and frameworks.
- 2.3.15. Maintain positive working relationships with other officers, elected members (individually and collectively at Committee/Working Groups etc) and Community Planning partners. This will involve working across all service groups and with chief officers to ensure a joined up approach to the delivery of such services.
- 2.3.16. Oversee the Council's monitoring and maintenance of effective controls and reconciliations of data or cash controls as appropriate.
- 2.3.17. Ensure that statutory returns and grant claims are completed and returned within required deadlines.
- 2.3.18. Identify Key financial risks and address these as appropriate, in terms of internal controls, monitoring and planning arrangements.
- 2.3.19. Support the Council's pursuit of an effective health and safety culture by using the policies, procedures, risk assessments and training provided to work safely, giving due regard to yourself, others you work with and those who may use council services.
- 2.3.20. Deputise for the Chief Officer (Finance) as appropriate.
- 2.3.21. Coordinate and prepare the Council's annual revenue and capital budgets providing advice on matter relating to financial strategy, funding resources and expenditure pressures.
- 2.3.22. Oversee the preparation of the Annual Accounts of the Council and associated bodies in accordance with legislative accounting requirements and professional standards.
- 2.3.23. Oversee the Council's Treasury Management function ensuring the effectiveness of the Authority's Treasury Management policy and borrowing strategy.
- 2.3.24. Oversee the Council's financial monitoring and governance arrangements of our Arms Length External Organisations (ALEO's).
- 2.3.25. Provide a comprehensive financial systems development, research and Taxation service.
- 2.3.26. Manage the rent accounting function, developing and maintaining a fair and effective differential rent structure.
- 2.3.27. Ensure that adequate systems are in place to collect and account for other sources of income.

- 2.3.28. Consult with the Service Management Teams to assess how the existing financial management needs have been met and plan for future requirements.
- 2.3.29. Oversee the monitoring of the Councils Devolved School Management (DSM) scheme, ensuring adherence to the scheme and the effective use of budgets and recommending changes where appropriate.
- 2.3.30. Manage elements of the DSM scheme not directly within the Finance structure.
- 2.3.31. Consult with the Service Management Teams to assess how the existing financial management needs have been met and plan for future requirements.

2.4. **Finance Manager**

- 2.4.1. Manage all activities to ensure that appropriate professional advice and guidance is provided on all relevant financial issues within the scope of the Finance Manager's responsibilities.
- 2.4.2. Ensure effective arrangements are implemented and adopted for providing prompt customer focussed service. Develop solutions to complex problems and respond to high level queries from senior managers, service managers, elected members and external bodies.
- 2.4.3. Ensure team members follow Council policies, procedures, legislative requirements and professional standards.
- 2.4.4. Provide the Finance Management Team and Council Services with professional advice on matters relating to the operation and development of the Services including:
 - 2.4.4.1. Providing financial management, business planning and accounting services for a range of specified Council Services.
 - 2.4.4.2. Ensuring financial support provided to Services is efficient, integrated and responsive to change. Support Services in the delivery of the transformational change by providing professional guidance and support on business planning and financial management.
 - 2.4.4.3. Directing the activities of Accountants, Assistant Accountants and other support staff to ensure revenue and capital plans, budget monitoring and annual accounts arrangements are effectively in place across the Council.
 - 2.4.4.4. Identifying key financial risks and addressing these as appropriate in terms of internal controls, monitoring and planning arrangements.
 - 2.4.4.5. Reviewing and ensuring compliance with financial regulations including SORPs and CIPFA Codes of Practice and other financial controls. Act upon internal and external audit reports relevant to areas of responsibility.
 - 2.4.4.6. Promoting best financial practice to ensure effective use of and accountability for revenue and capital resources. Develop and maintain effective procedures in line with the scheme of financial delegation.
 - 2.4.4.7. Reviewing statutory and statistical returns and grant claims to ensure that the Council's needs and resources are accurately identified. Ensure all grant claims and statutory returns are completed and submitted within required deadlines.
- 2.4.5. Manage and develop the staff in the group, ensuring the highest professional standards by setting objectives and performance standards, developing work

plans identifying training requirements, reviewing performance and taking such remedial action as necessary to ensure that standards are maintained.

- 2.4.6. Develop and maintain good working arrangements with other Finance Managers, Service Managers, elected members, trusts and external organisations to ensure efficient, effective and corporate working.
 - 2.4.7. Respond positively to changes affecting the service, advocate new practice and procedures and drive forward change processes. Ensure that the professional integrity of the service is maintained at all times.
 - 2.4.8. Represent Finance where appropriate at e.g. national associations, professional working groups, Council meetings etc.
 - 2.4.9. Ensure that income and expenditure are monitored against Service budgets and that variances are reported timeously.
 - 2.4.10. Prepare reports to senior management and the Council, as required.
 - 2.4.11. Support the Council's pursuit of an effective health and safety culture by using the policies, procedures, risk assessments and training provided to work safely, giving due regard to yourself, others you work with and those who may use Council services.
 - 2.4.12. Manage the preparation and production of the Council's annual revenue and capital budgets and supporting strategies and plans.
 - 2.4.13. Co-ordinate the preparation of the Annual Accounts and other statutory returns of the Council and associated bodies in accordance with legislative accounting requirements and professional standards.
 - 2.4.14. Manage Council's Treasury Management function ensuring the effectiveness of the Authority's Treasury Management policy and Borrowing Strategy.
 - 2.4.15. Manage the Council's financial monitoring and governance arrangements of Arms Length Organisations (ALEO's)
 - 2.4.16. Assist in providing a comprehensive financial systems development, research and Taxation service.
 - 2.4.17. Ensure effective ledger control.
- 2.5. **Accountant**
- 2.5.1. Manage all activities within the job remit ensuring professional advice and guidance is provided at all times.
 - 2.5.2. Provide the Chief Officer (Finance), Business Finance Managers, Finance Managers, Council Services and ALEOs Management teams/boards with professional advice on all matters relating to the financial management of the Council including:
 - 2.5.2.1. Taking a lead role in financial management, business planning and accounting services for a range of specified Council services/ALEOs, promoting best financial practice across the Council.
 - 2.5.2.2. Providing financial support to service in an efficient, client-focussed and integrated manner.
 - 2.5.2.3. Assisting senior management in the development and maintenance of effective financial controls across the Council/ALEOs, assessing potential for improvements to internal controls and monitoring processes.

- 2.5.2.4. Assisting senior management on the financial implications of the implementation of policy and legislative changes.
- 2.5.2.5. Provide financial advice and support to transformational projects as identified by the Transformation Committee.
- 2.5.2.6. Ensuring compliance with the Council's Financial Regulations and proper accounting practice, including relevant Code of Practice on Local Authority Accounting and other relevant legislation and guidance.
- 2.5.2.7. Contributing to the provision of best value services within a changing and challenging environment.
- 2.5.2.8. Compiling statutory and statistical returns and grant claims to ensure that the client needs and financial resources are accurately identified.
- 2.5.3. Develop and maintain good working arrangements with service managers, senior staff and outside bodies to ensure efficient and effective corporate working.
- 2.5.4. Provide financial support to major projects, developments and initiatives including option appraisal techniques, financial analysis, affordability levels and methods of funding, representing the client as required on multi-disciplinary teams.
- 2.5.5. Represent senior management where appropriate at service and corporate working groups, project teams and national associations, etc.
- 2.5.6. Supervise and direct the activities of assistant accountants, administrative staff and Modern Apprentices, through preparation and monitoring of annual work plans/key objectives, managing performance to deliver effective outcomes and developing individual skills and expertise.
- 2.5.7. Prepare corporate and committee monitoring reports in the approved format.
- 2.5.8. Monitor the capital programme and prepare reports on capital expenditure patterns and the performance of the capital programme against approved plans.
- 2.5.9. Provide advice and guidance to managers and staff on budgetary control and financial information systems, ensuring robust, well-documented procedures are in place.
- 2.5.10. Prepare and provide formal training and guidance to Senior Managers and budget holders.
- 2.5.11. Working closely with the Finance Manager, prepare the Annual Statutory Accounts of the Council and related support documentation in accordance with accounting standards and legislative requirements. Liaise with controls and reconciliations staff on the effective reconciliation of all expenditure, revenue and suspense accounts.
- 2.5.12. Maintain awareness of and proactively report on issues which may impact on local government finances.
- 2.5.13. Undertake research into government grant funding mechanisms and other external sources. Prepare briefing papers and supporting analysis for the Chief Officer (Finance), senior officers of the Council and Elected Members to support decision making.
- 2.5.14. Provide a VAT service to the Council ensuring the proper treatment of VAT transactions and maintenance of VAT procedures and records.
- 2.5.15. Provide financial management and accounting support for council tax, general revenue grant, non-domestic rates and other corporate funds managed by Finance.

- 2.5.16. Maintain and update the Service's performance management framework including preparing, collating, and reporting performance and required actions against key indicators and service objectives.
- 2.5.17. Ensure ALEO's compliance with the Council's approved financial governance arrangements in accordance with our requirement to follow the public pound, reporting periodically to the Council.
- 2.5.18. Support Board Director or Council representative responsibilities through reviewing strategic and financial plans to ensure consistency with Council aims, objectives, budgetary provision and to ensure external bodies have robust and sustainable business plans.
- 2.5.19. Ensure accuracy of ALEOs statutory accounts, necessary for satisfying the Council's statutory responsibility regarding entities' financial statements in accordance with relevant timescales.
- 2.5.20. Appraise the financial performance of companies and other bodies who work to conduct business with the Council.
- 2.5.21. Prepare detailed corporate capital planning and expenditure programmes in conjunction with other senior officers in the Council and the strategic capital delivery group, policy priorities and available capital resources and in accordance with the capital investment strategy.
- 2.5.22. Manage the effective monitoring of capital programmes and prepare reports on capital expenditure patterns and the performance of programmes against approved plans.
- 2.5.23. Maintain the Council's fixed asset register and capital accounting requirements.

2.6. Controls and Reconciliations

- 2.6.1. Ensure the effective on-going control and reconciliation of Council bank accounts and suspense accounts, Debtors, Creditors, and Payroll Systems, and ensure all payovers (PAYE etc.) and submission of returns are made within deadlines.
- 2.6.2. Oversee the daily control and reconciliation of all Council income and ensure robust procedures are in place for corporate Cash Receipting and the Municipal Bank.

2.7. Rent Income Team

- 2.7.1. Oversee the effective control of rent income including reconciliation of the bank account and direct debit compliance.
- 2.7.2. Plan and action rent assessments as part of the overall control of rent.

2.8. Revenues and Benefits

- 2.8.1. Under the remit of the Section 95 officer the Revenue and Benefits teams have the responsibility for the effective control of administering, processing and maintaining revenue and benefit transactions and systems. This includes for example Council Tax, Non Domestic Rates, Housing Benefits, Council Tax Reduction Scheme