DATA LABEL: PUBLIC

STANDING ORDERS

FINANCIAL REGULATIONS

Updated December 2025

FINANCIAL REGULATIONS

1. INTRODUCTION

1.1 West Lothian Council is committed to delivering high quality, integrated services in conjunction with Community Planning partners. The council has adopted modern business processes, enabled by technology, so that services are organised around the needs of citizens.

1.2 In order to conduct its business efficiently, the council must have sound financial management policies that are strictly adhered to. The requirement for sound financial management is further reinforced by the Local Government (Scotland) Act 1973 that stipulates that every local authority must make arrangements for the proper administration of its financial affairs and by the CIPFA Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code') which stipulates that councils must be able to demonstrate, on an on-going basis, that capital spending and associated borrowing is affordable, prudent and sustainable. In addition, the CIPFA Financial Management Code builds on the established CIPFA Prudential and Treasury Management Codes and requires the council to demonstrate how its processes comply with the principles of good financial management. This approach will assist in determining whether, in applying the standards of financial management, the council is financially sustainable. Principles of good financial management should be proportionate to the risks faced to financial sustainability given the pressures of reducing financial resources and rising demand for services. The council also has a duty to make arrangements which secure Best Value. The Best Value obligation applies both to elected members and officers. For these reasons it is essential for the council to establish financial regulations and supporting procedures.

1.3 The 1973 Act also requires that each authority appoints a proper officer to take responsibility for the administration of its financial affairs. The council has resolved that the proper officer is the Director of Finance and Property Services.

1.4 The Accounts Commission has stated that a regime of good governance for a local authority includes the creation and implementation of procedures for the effective discharge of the statutory responsibilities of the proper officer in relation to the overall financial management of the council. In addition to setting out these responsibilities, the financial regulations and associated procedures also provide clarity about the financial accountabilities of other officers within the council.

1.5 The West Lothian Integration Joint Board (IJB) was established in September 2015 under the Public Bodies (Joint Working) Act 2014. Its purpose is the improved delivery of health and social work functions in an integrated manner. The council has delegated certain adults' social work functions to the IJB. The council must approve an annual budget contribution to the IJB for the delivery of delegated functions. The IJB in turn issues directions as to what functions are to be delivered by the council, and how, with an allocation of funding to do so. The council has a legal obligation to comply with the IJB's directions. The council, health board and IJB are to work together in relation to financial matters. That procedure is set out in the West Lothian Integration Scheme, a document that is binding on council, health board and IJB. The IJB has its own

legal personality and is governed by the same financial regime as the council. These Financial Regulations have been amended to reflect the council's duties under statute and the Integration Scheme.

1.6 Members and officers have a responsibility for fostering the culture and attitudes that are necessary for good governance. Full details of the relevant roles and responsibilities are set out in the council's Code of Corporate Governance.

1.7 The financial regulations operate in parallel with the framework set out in the council's Scheme of Delegation. This includes the delegated authority of the Chief Executive and Depute Chief Executives to authorise other senior officers in their service who are appropriately qualified to use their delegated powers under these regulations, unless they cannot do so by law or because of specific provisions of the Scheme of Delegation.

1.8 Reference in the regulations to 'Depute Chief Executives' means:

- Depute Chief Executive (Education and Planning Services)
- Depute Chief Executive (Corporate, Operational and Housing Services)
- Depute Chief Executive (Health and Social Care Partnership)
- Director of Finance & Property Services

1.9 Reference in the regulations to 'Heads of Service' means:

- Head of Education (Primary, Early Years and Resources)
- Head of Education (Secondary, Community Learning and Inclusion)
- Head of Planning, Economic Development and Regeneration
- Head of Housing, Customer and Building Services
- Head of Corporate Services
- Head of Operational Services
- Head of Social Policy

2. STATUS OF FINANCIAL REGULATIONS

2.1 The financial regulations provide the framework for managing the council's financial affairs. They apply to every member and officer of the council and everyone acting on its behalf. Additionally, all members and officers have a general responsibility for ensuring that the use of the council's resources is legal, properly authorised and provides value for money.

2.2 The Director of Finance and Property Services is responsible for maintaining a continuous review of the financial regulations, including the financial limits contained in the regulations and submitting any changes, other than of a minor nature, to Council Executive for approval. The council's Code of Corporate Governance requires the financial regulations to be reviewed at least once every Administrative term.

2.3 The Director of Finance and Property Services is also responsible for issuing procedures, guidance and advice to underpin the financial regulations, and for investigating any breach of the regulations.

2.4 Depute Chief Executives are responsible for ensuring that Heads of Service are aware of and put in place arrangements for their services to comply with the financial regulations.

3. FORMAT OF FINANCIAL REGULATIONS

3.1 The financial regulations cover all aspects of the administration of the council's financial affairs and have been grouped in accordance with the main elements of financial administration as follows:

Financial Regulation A: Financial Management and Planning

- A.1 Introduction
- A.2 General Accounting Framework
- A.3 Revenue Budgets
- A.4 Capital Budgets
- A.5 Final Accounts
- A.6 Partnerships and Joint Arrangements
- A.7 Bids for External Funding
- A.8 Grants to External Organisations

Financial Regulation B: Risk Management and Control of Resources

- B.1 Introduction
- B.2 Internal Audit
- B.3 Risk Management and Business Continuity
- B.4 Counter Fraud
- B.5 Insurance
- B.6 Custody and Security of Assets, Stocks and Stores
- B.7 Banking Arrangements
- B.8 Treasury Management

Financial Regulation C: Systems and Procedures

- C.1 Introduction
- C.2 Income
- C.3 Salaries and Wages
- C.4 Allowances and Expenses
- C.5 Orders for Work, Goods and Services
- C.6 Payment Procedures
- C.7 Value Added Tax

FINANCIAL REGULATION A – FINANCIAL MANAGEMENT AND PLANNING

A.1 INTRODUCTION

1.1 Financial Management and Planning incorporates the various elements associated with the development, maintenance and monitoring of the council's financial strategy and financial position. These are:

- General Accounting Framework
- Revenue Budgets
- Capital Budgets
- Final Accounts

A.2 GENERAL ACCOUNTING FRAMEWORK

2.1 The Local Government (Scotland) Act 1973 (section 93) requires a local authority to have a General Fund, and the Housing (Scotland) Act 1987 (section 203) makes specific provision for the local authority to keep a separate Housing Revenue Account (HRA). Section 95 of the 1973 Act states that every local authority shall make arrangements for the proper administration of its financial affairs and the proper officer is responsible for determining the form of, and maintaining, the council's accounting control systems and accounting records. The proper officer in West Lothian is the Director of Finance and Property Services.

2.2 The Director of Finance and Property Services must ensure that adequate systems of accounting control are maintained throughout the council and that services conform with council policy, legislation and codes of practice on these matters. The Director of Finance & Property Services must ensure that those systems of accounting control cover the council's duties under statute and the West Lothian Integration Scheme in relation to allocations of funding from the IJB as part of the IJB's directions for delivery of the functions delegated to the IJB.

2.3 The Director of Finance and Property Services is responsible for coordinating the preparation of the revenue and capital budgets on an annual basis as part of the council's approach to revenue and capital financial planning. The coordination and preparation of the revenue budget in relation to functions delegated to the IJB must comply with the financial provisions in the West Lothian Integration Scheme. The CIPFA Financial Management Code stipulates that to be able to demonstrate financial sustainability, a long-term perspective is essential. The greater the uncertainty over central government policy, the greater the need to demonstrate long-term financial resilience. Financial planning activity is undertaken within the parameters of the council's financial planning principles approved by Council Executive. These principles are:

- The council should develop a high-level ten-year revenue and capital financial strategy
- the council should have a medium-term five-year financial plan, aligned with political administrations, and three-year detailed revenue budgets
- estimated budget gaps for at least three future years should be reported to elected members before local elections

- the Corporate Plan and revenue, capital and treasury plans should continue to be considered and agreed at the same council meeting
- future financial plans should be subject to public consultation
- public consultations should cover priorities, taxation and saving measures

2.4 The Local Government in Scotland Act 2003 sets out that it is the duty of a local authority to determine the maximum amount it can afford to allocate to capital expenditure and that, in discharging this duty, the authority must comply with capital expenditure regulations. The capital expenditure regulations state that councils must comply with the provisions of the Prudential Code.

2.5 The Prudential Code stipulates that councils must be able to demonstrate, on an on-going basis, that capital spending and associated borrowing is affordable, prudent and sustainable and complies with Best Value requirements. The council's role, in this regard, is fulfilled by approving, annually, a series of prudential indicators for West Lothian and ensuring that there are suitable arrangements for monitoring the indicators on an on-going basis. In addition, when considering, agreeing and implementing a capital investment strategy, the Prudential Code requires councils to take account of a variety of factors such as value for money, asset management planning, practicality and achievability. The Director of Finance and Property Services is responsible for reporting to the full Council on all relevant matters that are required to be taken into account when setting prudential indicators. The Director of Finance and Property Services is also responsible for establishing procedures for monitoring prudential indicators.

2.6 It is the responsibility of the Director of Finance and Property Services to ensure appropriate procedures and instructions are issued for:

- developing, maintaining and reviewing the overall budget strategy
- producing the annual medium and long-term revenue and capital budgets, in compliance with the Provisions of the Prudential Code and the CIPFA Financial Management Code
- compliance with the West Lothian Integration Scheme in relation to functions delegated to the IJB
- producing annual activity budgets
- budgetary control of revenue and capital expenditure, including resources directed by the IJB to the council in relation to functions delegated to it by the council
- budget monitoring of prudential indicators
- storage and disposal of financial records
- producing financial management information
- submission of statistical returns
- completion of the Statutory Abstract of Accounts

2.7 Effective budgetary control arrangements are essential to ensure the council meets its objectives and outcomes within available resources. The council's budgetary control for revenue and capital budgets is focused on a risk-based approach that ensures time is prioritised to high risk areas of the council's budget. A key element in this approach to budget monitoring is that a comprehensive annual budgeting exercise is undertaken each year for all staffing and non-staffing budgets. In addition, Heads of Service are responsible for identifying and agreeing material budget risk areas with the Director of Finance and Property Services, which are monitored on a monthly basis.

2.8 The Director of Finance and Property Services is responsible for the verification of completed external funding grant claims. Heads of Service are responsible for timeously providing information required by the Director of Finance and Property Services for this purpose.

2.9 Committee reports must contain a statement of financial implications, and where appropriate, include consultation with the Director of Finance and Property Services.

A.3 REVENUE BUDGETS

3.1 General Fund Revenue Budget Planning Process

The council is required to approve a balanced revenue budget for each financial year. Over the medium term the council will face a range of expenditure pressures and continuing funding constraints and therefore effective prioritisation of resources will be essential to achieving balanced budgets. The Accounts Commission, Audit Scotland and the Chartered Institute of Public Finance and Accountancy (CIPFA) have identified that public bodies must focus on their medium to long-term financial sustainability to ensure effective public services in the future. It is therefore very important that the council's financial strategies are based on defined and agreed priorities, and there is clarity as to how budgets will be managed. In compliance with the CIPFA Financial Management code, the council has agreed to develop a high-level ten-year revenue and capital financial strategy and a five-year revenue financial plan.

Delivering council priorities should underpin the medium to long- term financial strategy and help ensure that constrained resources are allocated to achieve desired outcomes and value for money.

The medium-term financial plan and detailed revenue budgets are integrated with the council's Corporate Plan. The Corporate Plan provides the corporate and strategic framework for delivering agreed priorities. The medium-term financial strategy fully incorporates the resources needed to deliver the councils priorities, and includes plans for savings and efficiencies to ensure that the council can continue to deliver essential services to communities whilst resources are constrained.

To ensure appropriate scrutiny of budget saving measures, saving proposals required to address any budget gap during an administrative term will be considered by the relevant Policy Development and Scrutiny Panel (PDSP) before approval by the full Council. Where timescales permit, all additional future saving measures will be considered by PDSP before approval by the full Council, with the only exceptions relating to factors out with the council's control such as late amendments to the local government finance settlement.

For all revenue budget reduction measures which are agreed by the full Council, further decisions by members which substantially change or delete these measures must also be made at the full Council.

3.2 General Fund Revenue Budget

Preparation

The Director of Finance and Property Services is responsible for co-ordinating the preparation of the revenue budget on an annual basis as part of a medium-term revenue financial plan. The Director of Finance and Property Services is also responsible for preparing prudential indicators in line with the provisions of the Prudential Code. The prudential indicators cover both the General Fund and the Housing Revenue Account (HRA). The revenue budget is integrated with the capital budget, the Treasury Management Plan, and the Corporate Plan. Heads of Service are responsible for preparing their service budgets and activity budgets in accordance with approved budget control totals, and, in the case of the Head of Social Policy, in accordance with the West Lothian Integration Scheme and directions by the IJB to the council.

The Director of Finance and Property Services is responsible for submitting the revenue budget and prudential indicators to the Corporate Management Team for consideration prior to presentation to the full Council.

The detailed revenue budget should cover a minimum of one financial year. Where practical, and as allowed by the boundaries of administrative terms, detailed revenue budgets should be prepared for multiple financial years.

Approval

The Director of Finance and Property Services is responsible for presenting, annually, a revenue budget (including the sum to be paid to the IJB in relation to the functions delegated to it by the council) and prudential indicators to the full Council. The full Council shall consider and approve a revenue budget, approve prudential indicators and set a council tax level for the following year. The council tax setting must, by law, take place before 11 March in any year.

Budgetary Control

The council is responsible for establishing a monitoring and control framework that complies with the requirements of the Prudential Code and which meets the requirements of the West Lothian Integration Scheme in relation to functions delegated to the IJB. Budgetary control frameworks and procedures are in place for General Services and HRA revenue budgets.

The council's budgetary control framework and procedures set out a risk-based approach to budget monitoring. A comprehensive annual budgeting exercise for all spend and income is undertaken to ensure a robust base budget is in place as a realistic guide to actual spend and income for the year.

As part of the risk-based approach to budget monitoring, Heads of Service are responsible for identifying and agreeing material budget risk areas with the Director of Finance and Property Services. Risk schedules will be prepared for these areas and relevant budgets monitored on a monthly basis.

The budgetary control frameworks confirm the budgetary control responsibilities of council officers and elected members. In terms of budgetary control, elected members have overall responsibility for proper governance and monitoring of public funds and for ensuring effective services are provided within the constraints of agreed budgets.

The Director of Finance and Property Services is responsible for ensuring that appropriate procedures and instructions are issued for budgetary control. The Director of Finance and Property Services is also responsible for providing appropriate financial information to enable budgets to be monitored effectively.

Heads of Service are responsible for the implementation of budgetary control procedures within their services and for ensuring the budgetary control process is carried out.

Heads of Service have primary responsibility for the budgetary control process within their service and are responsible for confirming budget projections and providing updates to Risk Schedules. The Director of Finance and Property Services is responsible for monitoring the overall budget and reporting on the financial position to the Corporate Management Team, and to Council Executive for periods 4, 6 and 9 each year. The reports to Corporate Management Team and Council Executive must comply with the finance provisions in the West Lothian Integration Scheme, including the treatment of any overspends or underspends or in-year adjustments. The reports to Council Executive should include monitoring of prudential indicators.

Outwith periods 4, 6 and 9, the focus of budget monitoring will be on risk areas identified and monitored through the monthly update of Risk Schedules.

The Director of Finance and Property Services is responsible for ensuring monthly budgetary control reports are available to budget holders.

At the financial year end, the Director of Finance and Property Services is responsible for reporting the final outturn report to the Corporate Management Team and Council Executive.

In addition to the reports to Council Executive, the Director of Finance and Property Services reports the financial performance to Policy Development and Scrutiny Panels for period 6 and the final outturn for the year.

Budget Virements
Budget virements within service areas are processed in agreement with the relevant Head of Service and Director of Finance and Property Services. The virement must be within the parameters of the approved service budget. In the event of inter-service virements, authorisation for the virements should be confirmed by the relevant Depute Chief Executives and/or Heads of Services, where appropriate. All virements between Devolved School Management (DSM) budget headings are subject to the DSM Scheme of Delegation.

3.3 **HRA Revenue Budget**

Preparation
The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for preparing a revenue budget for the Housing Revenue Account as part of a medium-term revenue budget and rent strategy. This budget is based on financial information provided by the Director of Finance and Property Services. The Housing revenue budget is integrated with the Housing capital budget.

Approval
The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for presenting the HRA revenue budget to a meeting of the full Council. The council shall consider and approve a budget, and set rent levels for all council housing stock and service charges at this meeting. Under section 25 of the Housing (Scotland) Act 2001, this must be done in sufficient time as to give tenants at least four weeks' notice of any increased rent due to be paid. The legislation also provides for social landlords to consult tenants and take account of their views prior to making decisions on rent increases.

Budgetary Control
The council is responsible for establishing a monitoring and control framework that complies with the requirements of the Prudential Code. Budgetary control frameworks and procedures are in place for General Services and HRA revenue budgets. The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for reporting on the financial position of the HRA budget to the Corporate Management Team and Council Executive based on financial information provided by the Director of Finance and Property Services. The reports to Council Executive are presented for periods 4, 6 and 9 each year. A risk-based approach to monitoring focusing on the use of Risk Schedules is undertaken for the HRA revenue budget. The Depute Chief Executive – Corporate, Operational and Housing Services is also responsible for reporting a final outturn report to the Corporate Management Team and Council Executive.

Budget Virements
Budget virements are processed in agreement with the Depute Chief Executive – Corporate, Operational and Housing Services and Director of Finance and Property Services. The virement must be within the parameters of the approved HRA budget.

A.4 CAPITAL BUDGETS

4.1 Capital Strategy

The Director of Finance and Property Services is responsible for preparing and maintaining a Capital Strategy, and reporting this to the full Council for consideration and approval. The Capital Strategy provides the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

It also sets out the governance and monitoring arrangements, whereby the outcomes will be monitored by the Capital Asset Management Board and reported to the Corporate Management Team, the relevant PDSP and Council Executive on an annual basis.

4.2 General Services Capital Planning Process

The Director of Finance and Property Services is responsible for preparing and maintaining a ten-year asset management plan and General Services capital investment programme and presenting this to the Corporate Management

Team for approval prior to its consideration by the full Council. The capital planning strategy is integrated with asset management planning, strategic planning and option appraisal and takes account of the council's duty to comply with the Prudential Code. Capital investment decisions are based on Strategic Outline Business Cases and prioritise investment based on council priorities, asset management principles, legal requirements, and financial and non-financial benefits. The capital plan is fully integrated with the council's medium-term revenue budget plan, the Treasury Management Plan, and Corporate Plan. Investment within the capital plan is split between four asset category types, each of which has a specific Asset Lead Officer. Depute Chief Executives are responsible for designating Asset Lead Officers to fulfil all aspects of work for the specified asset categories.

4.3 **General Services Annual Capital Budget**

Preparation
The Director of Finance and Property Services is responsible for ensuring that a detailed General Services capital budget is prepared annually taking account of the detailed allocation of block budgets. Asset Lead Officers are responsible for preparing their asset category capital budgets in accordance with approved annual budget totals. The Director of Finance and Property Services is responsible for co-ordinating the capital budget. The budget should be supported by information required under the provisions of the Prudential Code.

Approval
The Director of Finance and Property Services is responsible for presenting, annually, a General Services capital budget to full Council. This shall be considered and approved at the same time as the revenue budget and Treasury Management Plan. Following the conclusion of the financial year end, an updated capital programme is presented to Council Executive for approval, to incorporate slippage and accelerated spend from the previous year.

Budgetary Control
The council is responsible for establishing a monitoring and control framework that complies with the requirements of the Prudential Code. Budgetary control frameworks and procedures are in place for General Services capital budgets.

The capital budgetary control framework and procedures set out a risk-based approach to budget monitoring.

As part of the risk-based approach to budget monitoring, Heads of Service are responsible for identifying and agreeing material capital investment risks with the Director of Finance and Property Services. Risk Schedules will be prepared for these areas of investment and relevant budgets monitored on a monthly basis.

The budgetary control frameworks confirm the budgetary control responsibilities of council officers and elected members. In terms of budgetary control, elected members have overall responsibility for proper governance and monitoring of public funds and for ensuring effective services are provided within the constraints of agreed budgets.

The Director of Finance and Property Services is responsible for ensuring that appropriate procedures and instructions are issued for budgetary control. The Director of Finance and Property Services is also responsible for providing

appropriate financial information to enable budgets to be monitored effectively. Asset Lead Officers are responsible for the implementation of budgetary control procedures. It is the responsibility of Asset Lead Officers to control income and expenditure within their areas of responsibility and to monitor net expenditure against the agreed budget.

The Director of Finance and Property Services is responsible for reporting on the financial position of the General Services capital programme to the Corporate Management Team and to Council Executive for periods 4, 6 and 9 each year. The reports should include the information required to comply with the provisions of the Prudential Code.

Outwith periods 4, 6 and 9, the focus of budget monitoring will be on investment risk areas identified and monitored through the monthly update of Risk Schedules.

At the financial year end, the Director of Finance and Property Services is responsible for reporting the final outturn and budget roll forward report, taking into account slippage or accelerated spend within the capital programme, to Council Executive.

In addition to the reports to Council Executive, the Director of Finance and Property Services reports the financial performance to Policy Development and Scrutiny Panels for period 6 and the final outturn for the year.

The Director of Finance and Property Services is responsible for ensuring monthly budgetary control reports are available to Asset Lead Officers.

Budget Virements
In consultation with the Director of Finance and Property Services, Asset Lead Officers are authorised to approve virements between capital projects within their section of the capital programme.

However, if it is proposed to add a new capital project, delete an approved capital project from the programme, or materially change a capital project from the scope set out in the Strategic Outline Business Case, then Asset Lead Officers must notify the Director of Finance and Property Services for consideration by the Capital Asset Management Board before reporting to Council Executive for approval.

4.4 Housing Capital Planning Process

The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for ensuring that the council agrees and implements a medium-term Housing capital investment and planning process that fully complies with the provisions of the Prudential Code.

The capital planning process will include appropriate links with asset management planning, strategic planning, treasury planning and option appraisal and will take account of the council's responsibility to adhere to the Social Housing Quality Standard.

4.5 **Housing Annual Capital Budget**

Preparation
The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for ensuring that the Housing capital budget is prepared annually as part of the agreed capital investment and planning process based on financial information provided by the Director of Finance and Property Services. The Depute Chief Executive will also consult the Director of Finance and Property Services on the implications for prudential indicators when preparing the budget.

Approval
The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for presenting, annually, a Housing Capital budget to a meeting of the full Council which shall consider and approve a budget including any revenue consequences. The budget report should include the information required under the provisions of the Prudential Code.

Budgetary Control
The Depute Chief Executive – Corporate, Operational and Housing Services is responsible for the Housing capital programme and for reporting to the Corporate Management Team and Council Executive based on financial information provided by the Director of Finance and Property Services. The reports are presented to Council Executive for periods 4, 6 and 9 each year. The reports should include the information required to comply with the provisions of the Prudential Code. A budgetary control framework and procedures are in place for Housing capital budgets. These set out a risk based approach to budget monitoring.

Budget Virements
The Depute Chief Executive – Corporate, Operational and Housing Services, as Asset Lead Officer for Housing, is authorised to approve virements between capital projects within the capital programme.

However, if it is proposed to add a new capital project, delete an approved capital project from the programme, or substantially alter a capital project the Depute Chief Executive – Corporate, Operational and Housing Services must report for approval to Council Executive.

A.5 FINAL ACCOUNTS

5.1 The Director of Finance and Property Services is responsible for ensuring that the statutory Annual Accounts, encompassing General Fund and HRA, are produced in compliance with council policy, relevant legislation and accounting requirements.

5.2 The Director of Finance and Property Services submits a copy of the unaudited Annual Accounts to the Audit Committee for consideration prior to submission to the appointed auditor in accordance with the agreed timetable but, in any event, by the prescribed date.

5.3 The Director of Finance and Property Services submits a copy of the audited Annual Accounts and the Auditor's Annual Report to the full Council for consideration and to approve the accounts for signature.

5.4 Heads of Service are required to provide information in accordance with instructions on the Annual Accounts issued annually by the Director of Finance and Property Services.

A.6 PARTNERSHIPS AND JOINT ARRANGEMENTS

6.1 Working in partnership with a wide range of other organisations is a key policy and priority of the council. It is essential that appropriate accounting and control arrangements are in place to regulate the operation of all arrangements involving third parties. In relation to funding of external organisations, the council complies with the 'Code of Guidance on Funding External Bodies and Following the Public Pound' issued by the Accounts Commission and the Convention of Scottish Local Authorities (COSLA).

6.2 Heads of Service must consider the overall corporate governance arrangements when arranging contracts with external bodies. They must consult with the Director of Finance and Property Services in respect of financial issues and ensure that financial risks have been fully appraised before agreements are entered into.

6.3 Heads of Service are responsible for ensuring that appropriate approvals are obtained in relation to work with external bodies.

6.4 The Director of Finance and Property Services must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and provide for effective internal control.

A.7 BIDS FOR EXTERNAL FUNDING

7.1 To assess the financial implications Heads of Service must consult with the Director of Finance and Property Services regarding the financial content of all bids and business cases for external funding prior to them being submitted by the council. This applies, for example, to Scottish Government and European Union funding. In accordance with the internal procedures on External Funding Reporting Arrangements, proposals for the use of funding should be discussed and agreed with the Director of Finance and Property Services.

7.2 The Director of Finance and Property Services is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the authority's accounts.

A.8 GRANTS TO EXTERNAL ORGANISATIONS

8.1 Approval of grants to external organisations must be made within the terms of council policy.

8.2 All levels of support, financial or otherwise, should be assessed against the Subsidy Control Act 2022. Heads of Service are responsible for assessing and providing any information required to support the disclosure of a subsidy. The Director of Finance and Property Services must ensure that any subsidies are compliant and in agreement with the Act.

8.3 It is the responsibility of the Director of Finance and Property Services to ensure appropriate procedures and instructions are issued in relation to subsidy control requirements.

FINANCIAL REGULATION B – RISK MANAGEMENT AND CONTROL OF RESOURCES

B.1 INTRODUCTION

1.1 It is essential that robust systems are developed and maintained for identifying and evaluating on an integrated basis all significant strategic and operational risks to the council. This involves the proactive participation of all those associated with planning and delivering services.

B.2 INTERNAL AUDIT

2.1 The Local Authority Accounts (Scotland) Regulations 2014 requires that the council operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing. Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2.2 The council has established an Audit Committee which meets at least four times per year. The Committee undertakes a corporate review of the council's control environment, including financial and non-financial controls. The Committee's remit and powers are set out in the council's Scheme of Administration.

2.3 The council has established an Audit, Risk and Counter Fraud Unit which includes an internal audit function. Internal audit operates in accordance with the Global Internal Audit Standards and the Application Note: 'Global Internal Audit Standards in the UK Public Sector' issued by CIPFA in collaboration with the Chartered Institute of Internal Auditors.

2.4 The internal audit charter sets out the role and responsibilities of internal audit and is approved by the Audit Committee. The internal audit function is free from interference in determining the scope of internal auditing, performing work, and communicating results.

2.5 The Audit, Risk and Counter Fraud Manager is responsible for internal audit and reports directly to the Director of Finance and Property Services. The Audit, Risk and Counter Fraud Manager has the right of direct access to the Chair of the Audit Committee and the Chief Executive, and may consult with the Monitoring Officer at any time about any matter within their remit.

2.6 The role of internal audit is to review, appraise and report on the:

- effectiveness of systems of financial and non-financial control
- extent of compliance with approved policies, plans and procedures
- extent of compliance with regulations and legislation
- degree to which the council's assets are properly accounted for and safeguarded
- suitability and reliability of management data and performance information
- effectiveness of management in discharging its responsibility for ensuring Best Value

2.7 The Audit, Risk and Counter Fraud Manager prepares an annual risk-based audit plan in consultation with senior council officers. The Audit Committee approves the annual internal audit plan before being issued.

2.8 Subject to any necessary prior consultation internal audit staff have authority to:

- enter at all reasonable times council premises or land
- access all records, documents and correspondence relating to any aspect of the internal audit's remit
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of the council to produce cash, stores or any other council property under that person's control

The Audit, Risk and Counter Fraud Manager determines what prior consultations may be necessary. The Local Authority Accounts (Scotland) Regulations 2014 place a duty on any officer or member of a local authority to cooperate and provide such documentation or information as those undertaking internal auditing consider necessary for that purpose.

2.9 At the end of each financial year the Audit, Risk and Counter Fraud Manager prepares an annual report which sets out internal audit's performance for the year and which includes an opinion on the effectiveness of the council's framework of governance, risk management and control. The annual report is submitted to the Audit Committee.

B.3 RISK MANAGEMENT AND BUSINESS CONTINUITY

3.1 The council's policy on risk management is to effectively mitigate risks to the achievement of its objectives by implementing robust risk management strategies, procedures and guidance, which enable managers to effectively identify, assess, and mitigate risk.

3.2 The council has established a Governance and Risk Committee which meets at least four times per year. The Committee undertakes a corporate review of the council's corporate governance and risk management arrangements. The Committee's remit and powers are set out in the council's Scheme of Administration.

3.3 The council has established a Corporate Governance Board with responsibility for oversight of the council's risk management arrangements. The Corporate Governance Board ensures that the council has effective risk management and business continuity arrangements in place.

3.4 The Audit, Risk and Counter Fraud Manager is responsible for developing, maintaining and reviewing the corporate risk management framework, including providing guidance on business continuity planning. In doing so the Audit, Risk and Counter Fraud Manager consults with the Corporate Governance Board and the Risk Management Working Group.

3.5 The Audit, Risk and Counter Fraud Manager prepares an annual risk management plan in consultation with the Corporate Governance Board and

the Risk Management Working Group. The Governance and Risk Committee approves the annual risk management plan before being issued.

3.6 The Executive Management Team is responsible for oversight of the council's strategic risks and ensures that these are effectively identified, recorded and managed.

3.7 Heads of Service are responsible for managing their service's risks in accordance with the corporate framework and ensure that significant risks to service objectives are effectively identified, recorded and managed.

3.8 Heads of Service are responsible for business continuity arrangements for their service. They are responsible for ensuring that effective business continuity plans are in place to support the delivery of critical services within their remit. This includes ensuring that I.T. applications are appropriately backed up, and that effective disaster recovery arrangements are in place.

3.9 At the end of each financial year the Audit, Risk and Counter Fraud Manager prepares an annual report which sets out the risk management and business continuity work undertaken for the year. The annual report is submitted to the Governance and Risk Committee.

B.4 COUNTER FRAUD

4.1 The council has an approved Anti-Fraud and Corruption Policy and has a zero-tolerance approach to all forms of fraud, theft and corruption.

4.2 The council has established an Audit, Risk and Counter Fraud Unit which includes a counter fraud team which investigates allegations of fraud and irregularity. The term fraud for this purpose includes, but is not restricted to, criminal offences such as theft, corruption, bribery, and embezzlement. An irregularity is defined as a breach of council policy or procedure which does not involve the commission of a criminal offense but may constitute a significant failure or omission in the management of the council's internal systems and/or corporate governance arrangements.

4.3 Wherever any matter arises which involves, or is thought to involve, a fraud, or irregularity that affects the affairs of the council, the relevant Head of Service must immediately notify the Audit, Risk and Counter Fraud Manager.

4.4 In accordance with the provisions of the council's Disclosure of Information by Employees (Whistle Blowing) Policy, the counter fraud team operates a whistle blowing hotline.

4.5 Referrals received by the counter fraud team, from whatever source, are investigated in accordance with Audit, Risk and Counter Fraud Unit's procedures for the investigation of suspected fraud and irregularities.

4.6 The Audit, Risk and Counter Fraud Manager prepares an annual counter fraud plan. The Audit Committee approves the annual counter fraud plan before being issued.

4.7 Subject to any necessary prior consultation, counter fraud staff have authority to:

- enter at all reasonable times council premises or land
- access all records, documents and correspondence relevant to any counter fraud investigation
- require and receive such explanations as are necessary concerning any matter under investigation
- require any employee of the council to produce cash, stores or any other council property under that person's control

4.8 The Audit, Risk and Counter Fraud Manager determines what prior consultations may be necessary.

4.9 At the end of each financial year the Audit, Risk and Counter Fraud Manager prepares an annual report which sets out the Counter Fraud team's performance for the year. The annual report is submitted to the Audit Committee.

B.5 INSURANCE

5.1 The Director of Finance and Property Services is responsible for reviewing risks annually and determining the balance between insurance through external cover and self-insurance. Insurance covers will be placed following a tendering process.

5.2 The Director of Finance and Property Services will maintain an Insurance Fund in accordance with legislation and accounting rules.

5.3 Heads of Service must immediately notify the Director of Finance and Property Services in writing of any loss, liability or damage, or any event likely to lead to a claim. They must also inform the police where appropriate, in accordance with the claim procedures provided by the Director of Finance and Property Services.

5.4 Heads of Service should consult the Director of Finance and Property Services and the Chief Solicitor regarding the terms of any indemnity that the council is required to give.

B.6 CUSTODY AND SECURITY OF ASSETS, STOCKS AND STORES

6.1 The Director of Finance and Property Services is responsible for maintaining a register of all land and buildings, ensuring that all material fixed assets are included in the council's asset register.

6.2 Heads of Service are responsible for maintaining proper security, care and custody of all buildings, stocks, stores, furniture, equipment, cash and other property including that owned by third parties.

6.3 Heads of Service should ensure that cash holdings within each service unit are minimised, held in accordance with the council's cash procedure, and do not exceed relevant insurance limits.

6.4 Heads of Service are responsible for maintaining and regularly updating an inventory for all stocks and fixed assets in every establishment within their service in accordance with guidelines issued by the Director of Finance and Property Services.

6.5 Disposals or write-offs of stores, plant, furniture and equipment must be carried out in accordance with procedures issued by the Director of Finance and Property Services.

6.6 Council property must not be removed from council premises, other than for council purposes in accordance with council policy.

B.7 BANKING ARRANGEMENTS

7.1 The Director of Finance and Property Services is responsible for ensuring that arrangements are made for the provision of mainstream banking services.

7.2 The Director of Finance and Property Services makes arrangements regarding the opening and operation of all council bank accounts and use of banking services in the name of the council. The Director of Finance and Property Services must authorise the opening of bank accounts for the use of petty cash.

7.3 For third party bank accounts operated by council staff as part of their council duties, cheques must be signed by two delegated signatories unless agreed otherwise by the Director of Finance and Property Services.

7.4 All arrangements for CHAPS, faster payments and BACS payments will be made under the arrangements approved by the Director of Finance and Property Services. Heads of Service are responsible for authorising forms for non-commercial payments by CHAPS or faster payment. Whenever Heads of Service delegate responsibility for authorisation, they must notify the Director of Finance and Property Services in writing of the officers with delegated authority. A specimen signature for delegated officers must also be provided.

B.8 TREASURY MANAGEMENT

8.1 The council’s treasury management policy statement is as follows:

- Treasury management is the management of the council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- The council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

- The council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving Best Value in treasury management, and to employing suitable performance management techniques, within the context of effective risk management.

8.2 For the cornerstones for effective treasury management, the council will create and maintain:

- a treasury management plan, stating the policies, objectives and approach to risk management of its treasury management activities

- suitable treasury management practices (TMPs), setting out the manner in which the council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

8.3 The content of the treasury management plan and TMPs will follow the recommendations contained in Sections 6 and 7 of the CIPFA Treasury Management Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the CIPFA Treasury Management Code's key principles.

8.4 The council has responsibility for the implementation and regular monitoring of its treasury management policies and practices. The council delegates responsibility for the execution and administration of treasury management decisions to the Director of Finance and Property Services, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management where they are a CIPFA member.

8.5 The Director of Finance and Property Services will prepare the annual treasury management plan in advance of the year for approval by the full Council. A mid-year report will be presented to the full Council for consideration, along with an annual outturn report by 30 September of the following financial year. The reports shall be prepared in the form prescribed by the TMPs.

8.6 To demonstrate that the council's borrowing decisions are compliant with the Prudential Code's requirement that borrowing is prudent, affordable and sustainable, the Director of Finance and Property Services will prepare and monitor prudential indicators. Prudential indicators will be approved annually by the full Council, updated and reported as part of the capital outturn and budget update report to Council Executive in June, with updates provided to full Council in the treasury management reports.

8.7 The council adopts in full both the CIPFA Treasury Management Code and the CIPFA Prudential Code.

8.8 All investments of money under its control shall be made in the name of the council. All money held by the council will be aggregated for the purposes of treasury management and shall be under the control of the Director of Finance and Property Services. Investments can only be in organisations included in the permitted investments list approved by the full Council.

FINANCIAL REGULATION C – SYSTEMS AND PROCEDURES

C.1 INTRODUCTION

1.1 Sound systems and procedures are essential for an effective framework of accountability and control.

C.2 INCOME

2.1 The recovery and collection of all money due to the council is undertaken in accordance with guidelines issued by the Director of Finance and Property Services. The guidelines include procedures for issuing accounts, recording income, paying in cash, under and over banking, security and insurance of cash, cash transfers, personal cheques and the supply of receipts and tickets.

2.2 Services must ensure that where income is received by payment card, that the council's Payment Card Industry (PCI) compliance procedures are followed.

2.3 The corporate debt policy backed up by procedures sets out the terms of the joined-up approach the council will take with debtors who, in particular, have multiple debts due to the council.

2.4 Accounts should be issued for sums due to the council, unless alternative arrangements have been agreed with the Director of Finance and Property Services. Heads of Service must:

- ensure the prompt rendering of accounts in connection with work done, goods supplied or services rendered
- ensure that all money received by the council is paid directly to the council's bank account
- provide such information as is required to establish income due to the council

2.5 Where accounts have not been issued other appropriate arrangements must be adopted and promptly initiated in line with the guidelines issued by the Director of Finance and Property Services.

2.6 Arrangements for payment of accounts due by instalment are at the discretion of the relevant Head of Service, except for council tax and non-domestic rates where there are statutory rights to pay in instalments.

2.7 In consultation with Heads of Service, the Director of Finance and Property Services is authorised to write off miscellaneous debt of up to £5,000 where the council has tried all reasonable means of debt collection and there is no realistic prospect of recovery. Miscellaneous debt for this purpose excludes council tax, non-domestic rates, and any other debt write off specifically delegated to another officer.

2.8 In consultation with Heads of Service, the Director of Finance and Property Services is authorised to write off any amount of miscellaneous credit where all attempts to trace the creditor have failed (if the creditor is subsequently traced the action will be reversed and the credit refunded).

2.9 In addition, the Director of Finance and Property Services, in consultation with Heads of Service, is authorised to write off any amount of miscellaneous debt that cannot be recovered where the debtor:

- has been sequestrated (declared bankrupt and, where possible, a suitable claim has been made); or
- is a company in liquidation, receivership, administrative receivership, dissolution, or has been struck off the register of companies (and, where possible, a suitable claim has been made); or
- cannot be traced; or
- is deceased and there are no funds in the estate; or
- has entered into a Debt Arrangement Scheme (the amount written off is the administration costs of the scheme, which are borne by the creditor); or
- the debt is prescribed (i.e. outwith the legal time limit for collection).

2.10 With regard to council tax and non-domestic rates debts that cannot be recovered, the Director of Finance and Property Services is authorised to write off:

- debts up to £5,000 in any one case;

or any amount where the debtor:

- has been sequestrated (declared bankrupt and, where possible, a suitable claim has been made); or
- is a company in liquidation, receivership, administrative receivership, dissolution, or has been struck off the register of companies (and, where possible, a suitable claim has been made); or
- cannot be traced; or
- is deceased and there are no funds in the estate; or
- has entered into a Debt Arrangement Scheme (the amount written off is the administration costs of the scheme, which are borne by the creditor); or
- the debt is prescribed (i.e. outwith the legal time limit for collection).

2.11 In addition, the Director of Finance and Property Services is authorised to write off any amount of overpayment received in relation to council tax and non-domestic rates where all attempts to trace the creditor have failed (if the creditor is subsequently traced the action will be reversed and the credit refunded).

2.12 The Depute Chief Executive – Corporate, Operational and Housing Services is authorised to write off debts related to HRA charges of up to £5,000 in any one case where the council has tried all reasonable means of debt collection and there is no realistic prospect of recovery. HRA charges may relate to:

- Rent, service charges, and factoring for council housing and garages
- Other charges to tenants, such as repairs to property

2.13 In addition, the Depute Chief Executive – Corporate, Operational and Housing Services, in consultation with the Director of Finance and Property Services, is authorised to write off any amount of HRA charges that cannot be recovered where the debtor:

- has been sequestrated (declared bankrupt and, where possible, a suitable claim has been made); or

- cannot be traced; or
- is deceased and there are no funds in the estate; or
- has entered into a Debt Arrangement Scheme (the amount written off is the administration costs of the scheme, which are borne by the creditor); or
- the debt is prescribed (i.e. outwith the legal time limit for collection).

2.14 In addition, the Depute Chief Executive – Corporate, Operational and Housing Services is authorised to write off any amount of overpayment received in relation to HRA charges where all attempts to trace the creditor have failed (if the creditor is subsequently traced the action will be reversed and the credit refunded).

2.15 The Depute Chief Executive - Health and Social Care Partnership is authorised to write off debts relating to social care charges of up to £5,000 in any one case, where the council has tried all reasonable means of debt collection and there is no realistic prospect of recovery. Social Care charges may relate to:

- charges based on the Department of Work and Pensions or National Assistance Act regulations for residential or domiciliary care
- non-residential care charges calculated as part of the Contributions Policy
- any other charges related to social care services, such as Telecare, Housing With Care, or other Housing Support charges

2.16 In addition, the Depute Chief Executive – Health and Social Care Partnership, in consultation with the Director of Finance and Property Services, is authorised to write off any amount of social care charges that cannot be recovered where the debtor:

- has been sequestrated (declared bankrupt and, where possible, a suitable claim has been made); or
- cannot be traced; or
- is deceased and there are no funds in the estate; or
- has entered into a Debt Arrangement Scheme (the amount written off is the administration costs of the scheme, which are borne by the creditor); or
- the debt is prescribed (i.e. outwith the legal time limit for collection).

2.17 In addition, the Depute Chief Executive – Health and Social Care Partnership is authorised to write off any amount of overpayment received in relation to social care charges where all attempts to trace the creditor have failed (if the creditor is subsequently traced the action will be reversed and the credit refunded).

2.18 Where there is a requirement to write off a debt of over £5,000, and the circumstances are not covered by the authorisations above, the Director of Finance and Property Services will present a report to Council Executive for approval.

C.3 SALARIES AND WAGES

3.1 The Scheme of Delegation to Officers provides for the appointment of employees. This establishes basic pay. Depute Chief Executives are responsible for authorising any variations to pay, and for ensuring that:

- all documents authorising variations to pay are submitted in accordance with conditions of service, council policies and other statutory provisions
- the Head of Corporate Services is provided with such information as is required to complete council and statutory returns

3.2 The Head of Corporate Services is responsible for:

- processing and payment of salaries, compensation and other emoluments to employees and elected members or retiring allowances to former employees
- maintaining appropriate internal controls in HR and payroll processes
- ensuring that there is adequate segregation of duties between the HR and payroll functions
- paying pension contributions to the City of Edinburgh Council and the Scottish Public Pensions Agency, and tax and National Insurance contributions to HM Revenue and Customs

C.4 ALLOWANCES AND EXPENSES

4.1 The Head of Corporate Services is responsible for:

- submitting a draft scheme of members' allowances to Council Executive annually prior to the start of the financial year
- administering the scheme of members' allowances in accordance with the relevant statutory provisions
- publishing details of payments to individual members by 1 June each year for the preceding financial year

4.2 The Head of Corporate Services is responsible for:

- the reimbursement of travelling and subsistence expenses to officers and elected members
- Maintaining appropriate internal controls over the processes for reimbursement of travelling and subsistence expenses

4.3 Heads of Service are responsible for ensuring that:

- claims for expenses are submitted in accordance with conditions of service, council policies and other statutory provisions
- the Head of Corporate Services is provided with such information as is required to complete council and statutory returns

C.5 PROCUREMENT OF ORDERS FOR WORK, GOODS AND SERVICES

5.1 The council's Corporate Procurement Unit (CPU) is a support service whose principal activity is to satisfy the council's procurement needs. CPU are a team of procurement professionals who are available to assist with enquiries and offer procurement guidance and advice ensuring compliance with all applicable procurement regulations, legislation and the council's Standing Orders for the Regulation of Contracts.

5.2 All council purchasing and procurement must comply with the council's Standing Orders for the Regulation of Contracts and the Corporate Procurement Procedures.

5.3 The standard default for payment within contracts and orders is 30 days from receipt of a valid invoice. Any exceptions to the council's payment terms must be approved in advance by the Director of Finance and Property Services. Where the estimated aggregated contract value exceeds the financial thresholds within the council's Standing Orders for the Regulation of Contracts for tendering activity, any proposed change must be documented within the Contract Strategy and approved.

5.4 Any contract above £50,000 over the contract term requires a Procurement Contract Strategy to be completed, and whilst there will be input from service areas, CPU will have ownership of the Procurement Contract Strategy. CPU will consult with FMU regarding available budget, cost codes and insurances. The service accountant shall sign and authorise the Procurement Contract Strategy prior to any Invitation to Tender, Call Off from a Framework, Dynamic Purchasing System (DPS) or Legislative Exemption being progressed.

5.5 Each Head of Service shall be responsible for all orders emanating from their service and shall ensure they fully observe all guidance issued by the Head of Corporate Services.

5.6 Heads of Service must ensure that proper security and control arrangements are implemented and must comply with the council's Information Governance Policy and guidelines.

5.7 Purchase orders are only to be issued for goods, services or works which have been procured in compliance with the council's Standing Orders for the Regulation of Contracts and the Corporate Procurement Procedures, and only if the cost is covered by a budget allocation or by a specific financial provision.

5.8 Purchase orders for goods, services or works must be processed in accordance with the council's Purchase to Pay Systems Procedure. Orders must be placed in advance of the goods, services or works being received and should provide Best Value, considering price, quality and sustainability.

5.9 Heads of Service must ensure that records of all officers with responsibility for creating and approving orders on all council purchase to pay systems are maintained.

5.10 It is the responsibility of Heads of Service to satisfy themselves that any purchase order represents a valid supply of goods, services or works prior to authorising it.

5.11 Purchase orders for goods, services and works subject to contract must be placed with the contracted supplier in accordance with the council's Standing Orders for the Regulation of Contracts and Corporate Procurement Procedures. For works contracts, orders shall only be placed with organisations which hold a relevant accredited industry registration certificate.

5.12 Before entering into leasing agreements, Heads of Service must consult with the Director of Finance and Property Services to establish the correct accounting treatment for the lease.

5.13 Where derogation from the council's Standing Orders for the Regulation of Contracts is sought in exceptional circumstances e.g. extreme urgency due to

unforeseen circumstances etc, services must progress with Exemption processes and obtain approval prior to placing any order.

5.14 Where the aggregated expenditure is between £5,000 to below £50,000 a Business Case Exemption (BCE) is required. Where the aggregated expenditure is between £1,000 to below £5,000 a Head of Service BCE is to be completed. In both instances the BCE is to be attached to the Purchase Order as an internal attachment.

5.15 Where an Exemption from the council's Standing Orders for the Regulation of Contracts is required for expenditure in excess of £50,000 for goods and services and £250,000 for works and below the World Trade Organisation Government Procurement Agreement (GPA) financial thresholds, the Head of Corporate Services will prepare a Procurement Report for Council Executive to consider for approval. FMU will be consulted regarding budget implications and this shall be incorporated within the Procurement Report. Details of the approved Procurement Report is to be included within the Purchase Order as an internal attachment.

5.16 CPU maintain a Corporate Contract Register and the information displayed is extracted from the council's Corporate Contract Management System (CCMS), which is populated by CPU and is continually refreshed to enable access to real-time data. Services are required to complete CCMS Requests to CPU for expenditure above £5,000.

C.6 PAYMENT PROCEDURES

6.1 The Director of Finance and Property Services will issue procedures covering payments to third parties. This will include procedures and guidance on use of the most appropriate purchase to pay system, purchase cards, CHAPS, BACS and cash. Heads of Service are responsible for ensuring compliance with these procedures.

6.2 Heads of Service are responsible for entering goods received and invoice details into the relevant purchase to pay system to enable payment to be made.

6.3 An invoice must be matched to a pre-authorised order held on the relevant purchase to pay system. The Head of Service is responsible for ensuring that an invoice represents a valid liability of the council before authorising it for payment. The council's payment terms are 30 days from receipt of a valid invoice. Invoices must be processed without delay to ensure the council's payment terms are complied with.

6.4 Payment must not be made prior to the receipt of supplies and services without the approval of the Head of Service. Where a payment requires to be made in circumstances where there is no supply of goods or services, e.g. grant payments and refunds, then such payments must be made in accordance with procedures issued by the Director of Finance and Property Services.

6.5 The standard method of payment of money due from the council is by electronic bank transfer such as BACS and CHAPS drawn on the council's bank account. The only exceptions are payments made by petty cash and other payments from advance accounts. Payments must only be made by petty cash when other methods of payment are not appropriate. The council cash procedure details spend that can be processed by petty cash.

6.6 Council Tax cheques and those required for authorised imprest accounts are printed only on the authority of the Director of Finance and Property Services, who makes proper arrangements for their ordering, issuing and safe custody.

6.7 Council tax cheques drawn on the council's bank accounts must bear the facsimile signature of the Director of Finance and Property Services, or be signed by the Director of Finance and Property Services or one of the three designated bank signatories in FMU.

6.8 Cheques for over £50,000 drawn on the council's bank accounts must bear the facsimile signature of the Director of Finance and Property Services and be signed by the Director of Finance and Property Services or one of the three designated bank signatories in FMU.

C.7 VALUE ADDED TAX

7.1 The Director of Finance and Property Services is responsible for issuing guidance on the application of value added tax rules.

7.2 Heads of Service are responsible for identifying and accounting properly for both their input and output value added tax.