

Scotland Excel

Financial Regulations

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1. What the Regulations Cover

- 1.1 Scotland Excel is a Joint Committee constituted by a number of Scottish local authorities. Under section 95 of the Local Government (Scotland) Act 1973, all local authorities in Scotland must have adequate systems and controls in place to make sure that their finances are handled properly. They must also appoint an appropriate officer with the full responsibility for monitoring how they do so.

These regulations also set out the responsibilities of the Joint Committee, the Executive Sub-Committee and the Chief Executive Officers Management Group for Scotland Excel's financial affairs.

These regulations also set out the responsibilities of the Director of Finance and IT of Renfrewshire Council, who has been appointed as the Treasurer of Scotland Excel. They also set out the responsibilities of the Director of Scotland Excel and other authorised people.

- 1.2 The Director will make sure that all relevant employees are aware of these regulations and that they follow them at all times.
- 1.3 All actions that affect Scotland Excel's finances should only be carried out by properly authorised employees. The Director will make sure that there is a proper system in place for authorising transactions.
- 1.4 The Director and other authorised persons will make sure that Scotland Excel only commits to expenditure (spending) that it is legally able to commit to. Where this is not clear, the authorised person will consult the Clerk before committing to any expenditure. Also, the legality of expenditure relating to new service developments, initial contributions to other organisations and responses to new emergency situations will be confirmed before Scotland Excel commits to any related expenditure. The Clerk means the Director of Corporate Services of Renfrewshire Council.
- 1.5 If you believe that anyone has broken, or may break, these regulations, you must report this immediately to the Treasurer, who may then discuss the matter with the Clerk or any other Director or authorised person as appropriate to decide what action to take.
- 1.6 The Director and other authorised persons will make sure that all spending within capital and revenue estimates meets proper accounting standards. They will contact the Treasurer if they need help to be clear about what is capital and what is revenue.

- 1.7 The Treasurer and the Clerk will interpret the regulations and put them into practice in a way which takes account of the obligations in Scotland Excel's standing orders relating to contracts.

2.0 Corporate Governance

- 2.1 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout Scotland Excel. The basic principles of corporate governance are as follows.

Openness Anyone with an interest in our affairs should have confidence in the decision-making and management processes and the individuals involved in them. This confidence is gained through openness in our affairs and by providing full, accurate and clear information which leads to effective and timely action and scrutiny.

Integrity There should be honesty, selflessness, objectivity and high standards of conduct in how we manage Scotland Excel's funds and affairs. Integrity depends on the effectiveness of the control framework and on the personal standards and professionalism of members and employees.

Accountability There needs to be a clear understanding by everyone involved in Scotland Excel's affairs of their roles and responsibilities. There should also be a process which provides appropriate independent examination of the decisions and actions of those involved in the council's affairs, including how Scotland Excel's funds and performance are managed.

These financial regulations, supported by financial codes and practice notes are an essential part of the corporate governance of Scotland Excel.

3.0 Responsibilities under these Financial Regulations

- 3.1 The Joint Committee will continuously work to secure best value for money, and economy, efficiency and effectiveness in how Scotland Excel uses its resources.
- 3.2 The Joint Committee will be mainly responsible for monitoring Scotland Excel's financial and budgetary arrangements.

- 3.3 The Treasurer (in consultation with the Director) will advise the Joint Committee on the financial implications of the Joint Committee's activities.
- 3.4 The Joint Committee will consider and approve all capital plans and estimates. Subject to Regulation 3.25 no capital expenditure can be authorised unless;
- it has been provided for in approved capital estimates; and
 - it is within the officer's delegated authority.
- 3.5 The Joint Committee will consider and approve all revenue plans and estimates. Subject to Regulation 3.25 no revenue expenditure can be authorised unless;
- it has been provided for in approved revenue estimates; or
 - it is within the delegated authority of the officer to act in an emergency.
- 3.6 The Joint Committee will consider and approve the framework for transferring money from one budget to another. The framework will be as follows.
- The transfer must not alter a policy.
 - The transfer must be in line with any approved policy for the delegated management of resources.
 - Transfers of £50,000 or less must be approved by the Director and Treasurer (or their authorised officers).
 - Transfers over £50,000 must be approved by the Joint Committee.
- 3.7 The Joint Committee will consider and approve any alterations to these financial regulations.
- 3.8 The Joint Committee will monitor the overall financial performance of Scotland Excel's functions in relation to the approved capital and revenue budgets.
- 3.9 The Joint Committee will monitor the capital and revenue budgets for the services provided by Scotland Excel.
- 3.10 The Treasurer will provide the Executive Sub-Committee with regular budget monitoring reports along with explanations for any significant variances (differences) from the budget and the action planned to deal with them.

- 3.11 The Joint Committee will consider and approve a treasury management policy statement and any amendments.
- 3.12 The Joint Committee will consider and approve the list of banks and other financial institutions Scotland Excel's surplus finances can be invested with, and any financial limits for those investments.
- 3.13 The Joint Committee will consider reports from the Treasurer on Scotland Excel's treasury management activities.
- 3.14 The Joint Committee will consider and approve the arrangements for authorising all loan, leasing and investment documents if the Treasurer (or delegated officers) are not authorised to do so.
- 3.15 The Treasurer will report to the Joint Committee with details of any significant changes in Scotland Excel's tax affairs.
- 3.16 The Joint Committee will consider and approve Scotland Excel's insurance arrangements and each year the Treasurer will report on the summary of insurances we hold and claims made.
- 3.17 The Joint Committee will monitor Scotland Excel's risk management policies and strategies and will consider reports each year from the Treasurer on the risk management plans.
- 3.18 The Joint Committee will monitor how Scotland Excel manages its debts. It will also consider reports from the Treasurer on Scotland Excel's performance on collecting debt and will agree any amounts to be written off (cancelled).
- 3.19 The Joint Committee will consider reports by our external auditors, including reports on the audited annual accounts.
- 3.20 The Executive Sub-Committee will consider reports from the Chief Internal Auditor of the lead authority.
- 3.21 The Executive Sub-Committee will monitor the capital and revenue budgets for Scotland Excel and will approve the action needed to bring spending within approved limits.
- 3.22 The Executive Sub-Committee will consider budget monitoring reports from the Treasurer, in consultation with the Director. The reports will include explanations for any significant variances (differences) from budget targets and the action needed to bring the financial performance within approved limits.

- 3.23 The Executive Sub-Committee will consider reports from the Director where Scotland Excel has committed itself to essential expenditure but;
- there is no money set aside in the budget for it; and
 - There is no money elsewhere within the service to pay for it.
- 3.24 The Executive Sub-Committee will consider requests for transferring budget resources more than £50,000.
- 3.25 The Executive Sub-Committee will consider requests for extra (supplementary) estimates to the approved capital and revenue plans.
- 3.26 The Executive Sub-Committee will make sure that all financial matters within the standing orders relating to contracts are followed.
- 3.27 The Executive Sub-Committee will consider contract variances and explanations where the estimated net cumulative additional cost is more than £50,000 or 12¹/₂% of the approved contract sum.
- 3.28 The Executive Sub-Committee will consider reports from the relevant Director at least once a year following a review of the stocks and stores held. For adjustments of more than £5000, it will approve writing off shortages or writing surpluses back into the accounts.

4. The Framework for Financial Administration

- 1 The financial regulations set out the responsibilities of members and officers within the context of Scotland Excel's political management framework. The financial regulations may only be amended by the Joint Committee.
- 2 The Treasurer will monitor how the financial regulations work within Scotland Excel, and will provide officers with a written framework which governs our financial affairs. The framework will be made up of the following.

Financial codes These codes will cover all relevant aspects of financial administration. The Treasurer will have the delegated authority (in consultation with the Clerk) to introduce and to alter the financial codes, except where a code will require an amendment to the financial regulations where approval as set out in 5 will be needed.

Practice notes These practice notes will provide employees with detailed guidance and advice on specific procedures that they must follow. Any practice notes issued will need the approval of the Clerk or other authorised person.

- 3 All financial codes and practice notes issued in terms of these financial regulations have the same status and authority as if they were part of these financial regulations.

5 Reviewing the Financial regulations

The Joint Committee may change or withdraw these financial regulations. If so, this will come into force from the first working day after the end of the Joint Committee meeting at which the change or withdrawal was approved.

6 Legal Advice

The Clerk will provide legal advice regarding these financial regulations when needed.

7 More information

If you need more information or help understanding these regulations, please contact the Treasurer.