**Falkirk Council Financial Regulations – March 2022**

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# **1. STATUS OF FINANCIAL REGULATIONS**

1.1 These Financial Regulations form part of the Standing Orders approved by the Council.

1.2 The Standing Orders and Financial Regulations form a key element of the Code of Corporate Governance. This is the framework of control that allows the Council to demonstrate that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner.

1.3 Every **Committee**, **Member**, and **Officer** of the Council **must** adhere to these Regulations.

1.4 All **Line Managers** **must** ensure that all Officers are made, and kept, aware of the Financial Regulations and the need to comply with them.

1.5 All **Members** and **Officers** **must** ensure that they maintain the highest standards of honesty and integrity in dealing with public money and take all appropriate steps to ensure best value is achieved. These Regulations provide a framework to help ensure compliance with this requirement.

1.6 **Officers** **must** report any actual and potential breaches of the Regulations to their Line Manager **immediately**. **Line Managers** will **promptly** report all material breaches to the Chief Finance Officer. Failure to comply with the Regulations or, in the case of Line Managers, failure to ensure the compliance of others, may result in disciplinary action.

1.7 In addition to these Financial Regulations, **Members** and **Officers** **must** follow the Council’s policies and procedures. Of particular relevance are the Councillors’ Code of Conduct, the Code of Conduct for Members and Officers, and employees’ Conditions of Service.

1.8 The Financial Regulations will be reviewed on an annual basis by, or on behalf of, the Chief Finance Officer, with changes being brought to the Council for approval.

# **2. FINANCIAL STEWARDSHIP**

2.1 All **Members** and **Officers** **must** ensure that public money is spent effectively and wisely and must bear in mind the principles of best value at every stage of the decision-making process.

2.2 **Council** and the **Executive** have overall responsibility for controlling the finances and resources of the Council. The **Chief Finance Officer** **must** keep them informed of the state of the Council’s finances through **regular** financial reports. **Council** will also consider the audited Annual Accounts and auditors’ report.

2.3 The **Chief Finance Officer** is, for the purposes of Section 95 of the Local Government (Scotland) Act 1973, the Proper Officer for the administration of the Council's financial affairs. The **Chief Finance Officer** is responsible for:

* proposing and reporting to Council the level of financial resources to be used in each financial year;
* keeping Council and the Executive informed on the Council's finances and financial performance; and
* informing Committees about the financial implications of their activities.

2.4 **Chief Officers** **must** consult timeously with the **Chief Finance Officer** on the financial aspects of any Committee report, and **before** any significant commitment is incurred. This consultation **must** be undertaken for **all** reports with financial content or implications. Similarly, prior to engaging any external adviser to provide financial advice, Services **must** consult with the Chief Finance Officer.

2.5 The **Audit Committee** has a role in monitoring the adequacy of the Council’s risk management, governance, and control arrangements. On an **annual basis**, it will review the Annual Governance Statement, which provides a report on the adequacy of the Council’s corporate governance arrangements (including financial governance), prior to its inclusion in the Council’s Annual Report.

# **3. BUDGETS**

3.1 **Council** is responsible for setting the **annual** revenue and capital budgets, including the resources to be delegated to the Health and Social Care Integration Joint Board and Falkirk Community Trust.

3.2 **Chief Officers** **must** submit proposed programmes of revenue and capital expenditure and income for the coming financial year(s) to the Chief Finance Officer in line with the required timetable.

3.3 The draft revenue budgets **must** be submitted to **Council** for approval no later than the date prescribed by statute, currently **11 March** in each year. The revenue budget includes the Medium Term Financial Plan which sets out the estimated deficits the Council is expected to encounter over the medium term.

3.4 In line with the Scheme of Delegation, the inclusion of items in approved budgets will constitute authority to the **Committee** or **Chief Officer** to incur delegated expenditure during the period covered by that budget.

# **4. BUDGETARY CONTROL**

4.1 **Budget holders** **must** monitor and control income and expenditure within the limits of the budgets approved by Council.

4.2 To facilitate the monitoring and control of income and expenditure, the **Chief Finance Officer** will provide Services with access to the corporate financial systems (enabling a self-service approach to the generation of budgetary control reports). The **Chief Finance Officer** may also provide statements of income and expenditure to Services where necessary.

4.3 The **Chief Finance Officer** will submit **regular** statements of income and expenditure against budgets to the Executive, as well as a report on the projected (and actual) year-end outturn.

4.4 The **Chief Finance Officer** will ensure that the Executive is **promptly** informed if it is forecast that the total income or expenditure for a Service, or significant part thereof, is likely to vary significantly from the approved budget.

4.5 A statutory trading account is required for trading operations with a turnover greater than 2% of the Council’s total revenue spending. Consequently, the **Director of Transformation, Communities, and Corporate Services** **must** ensure that the Building Maintenance Division maintains a statutory trading account which meets the requirements laid down by the Local Government in Scotland Act 2003.

# **5. BUDGET TRANSFERS (Virement)**

5.1 Virement is the transfer of whole or part of an approved budget to a different budget heading through the Council’s financial ledger. This definition applies to transfers between Divisions or between Services.

5.2 For revenue budgets, virements of up to £350,000 can be proposed by **Chief Officers** and approved by the **Chief Finance Officer**. A written proposal, including reasons for the virement, **must** be prepared by the **Chief Officer,** and submitted to the Chief Finance Officer. Formal written approval, or otherwise, **must** be retained by the **Chief Finance Officer**.

5.3 Revenue and capital budget virements in excess of £350,000 **must** be approved by the **Executive** in advance.

5.4 If unbudgeted revenue or capital income of more than £50,000 is received from a single external organisation over any 12-month period, details of the source, amount, and intended use must be reported **promptly** by **Line Managers** to the relevant Chief Officer, the Chief Finance Officer, and the Executive (at the first opportunity).

# **6. ACCOUNTING**

6.1 The **Chief Finance Officer** **must** ensure that the Abstract of Accounts is produced in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and that it is submitted to the Controller of Audit by the required statutory deadline, currently **30 June. Chief Officers** **must** **promptly** provide the Chief Finance Officer with all relevant information to meet this deadline.

# **7. INFORMATION MANAGEMENT AND SECURITY**

7.1 The **Director of Transformation, Communities, and Corporate Services**, in consultation with the **Chief Governance Officer**, is responsible for ensuring that information held on manual or electronic records is secure, and that there is compliance with all relevant legislation (e.g., Data Protection Act 2018) and Standards (e.g., Public Services Network).

7.2 **Chief Officers** **must** ensure that all personal information held on manual or electronic records is used solely for the purposes intended to ensure compliance with the Data Protection Act 2018. No Member or Officer will communicate information to a third party except where they are entitled to receive that information.

7.3 **Chief Officers** **must** put in place, and enforce, proper arrangements to ensure that all financial, legal, and other documents are retained in accordance with the Council’s retention schedules. This requirement applies equally to those documents stored electronically. Where there is any doubt, Services **must** seek advice from the Council’s Records Management Section.

7.4 All **Officers** of Falkirk Council, **Elected Members**, and **agents of external organisations** who access or have responsibility for any Council information system, or have access to Council owned data, **must** adhere to the Council’s Information Security Policy and Acceptable Use Policy. New staff should be made aware of the Information Security Policy and Acceptable Use Policy through the induction process.

7.5 While it is the responsibility of each **Officer** to adhere to these Policies, all **Chief Officers** are directly responsible for implementing the Policies within their area of responsibility and for adherence to the Policies by their staff. Failure to comply with the Information Security Policy and Acceptable Use Policy may be treated as a disciplinary offence, irrespective of whether there is any compromise of systems or data.

# **8. SEGREGATION OF DUTIES**

8.1 No **Officer** should have sole responsibility for all elements of a financial transaction (eg, requisition, order, receipt, and payment for a good or service). **Chief Officers’** **must** ensure that appropriate segregation is applied between the key stages of every transaction, from beginning to end.

8.2 There **must** be clear segregation between the **Officers** ordering and receipting / paying for goods and services.

8.3 Officers involved in calculating and / or recording any income due to the Council **must** not collect or process the related income.

8.4 All cash collection and accounting records should be examined and checked by a second **Officer**, with **periodic** sample checks by **Line Management**. All checks **must** be documented. Particular care **must** be taken to implement controls in all offices where Officers are required to collect cash or valuables, to protect those individuals from suspicion or accusation.

# **9.** INCOME

9.1  **Chief Officers** **must**, at least **annually**, and in consultation with the **Chief Finance Officer**, review all charges or tariffs relating to their Service. **Chief Officers** **must** also take appropriate steps to publicise all fees and charges.

9.2 **Chief Officers** **must** ensure that arrangements are in place for:

* identifying all sources of income within their area of responsibility;
* calculating and collecting the income due to the Council;
* monitoring to ensure all income is duly and timeously received;
* reporting any significant discrepancies to the Chief Finance Officer; and
* documenting and accounting for amounts due, received, and outstanding.

9.3 All income received by an **Officer** **must** be **immediately** acknowledged by receipt.

9.4 All money received by an **Officer** on behalf of the Council **must** be paid in full into an official nominated bank account. Appropriate arrangements **must** be made for ensuring that all monies are banked **timeously** and securely. Where possible, the Council’s contract with an appointed security company should be utilised. Where this is not possible, alternative arrangements should be put in place in consultation with the Council’s **Revenue Manager** (arrangements will be dependent on factors such as location, amount banked, and staffing).

9.5 A clear, documented, audit trail **must** be maintained as evidence of proper income handling, administration, and banking.

9.6 If unbudgeted revenue or capital income of more than £50,000 is received from a single external organisation over any 12 month period, details of the source, amount, and intended use **must** be reported **promptly** by **Line Managers** to the relevant Chief Officer, the Chief Finance Officer, and the Executive (at the first opportunity).

# **10.** DEBT MANAGEMENT

10.1 **Chief Officers** **must** manage and monitor all debts accruing, and take all reasonable steps, within a reasonable timescale, to ensure that all monies due are collected. A formal assessment of the likelihood of full or partial debt collection should be carried out, and this should inform the debt recovery action to be taken. This assessment may conclude that it would be uneconomical or impractical to pursue recovery action. Appropriate evidence **must** be retained to support the results of the assessment.

10.2 Where recovery action is pursued there may be instances where, despite all reasonable steps having been taken, the debt remains outstanding and, in these cases, advice should be sought from the **Chief Finance Officer**.

10.3 Only properly raised sundry accounts can be written off. Where there is to be write-off, this should take account of the following financial limits:

* **Chief Finance Officer (or delegated Chief Officer)**: authority to write-off any individual debt of £5,000 or less; and
* **Executive**: authority to write-off any individual debt of more than £5,000.

10.4 Accurate records **must** be retained by the **Chief Finance Officer** for all write-offs, with documentation retained in line with the Council’s retention schedule.

# **11.** PURCHASING OF GOODS AND SERVICES

11.1 The Council has a Procurement Strategy, Central Purchasing Service (CPS), and User Intelligence Groups (UIG) to co-ordinate purchasing activity.

11.2 To ensure that the objectives of the Procurement Strategy are achieved, **Officers** **must** follow Contract Standing Orders and any purchasing policies issued. The **Chief Finance Officer** and the **Chief Governance Officer** must be consulted before any contract, lease, rental, hire purchase arrangement, or equivalent is entered into that will result in significant future financial commitment.

11.3 Contract Standing Orders specify the circumstances and value of contracts for which formal competitive tenders are mandatory. All **Officers** responsible for contracts, whatever their value, **must** read, be familiar with, and apply the requirements of the Contract Standing Orders and associated guidance.

11.4 Formal tendering processes are not required for purchases below £50,000 (Goods and Services) or £250,000 (Works). **Officers** **must**, however, demonstrate that best value has been achieved by:

* using contracts or catalogues prepared by the CPS/UIGs (eg, Integra eSeries Ordering Module catalogues);
* obtaining and retaining a minimum of 3 written quotations via the Quick Quote facility on the Public Contracts Scotland website; or
* following the advice of the CPS.

11.5 **Officers** may make their own purchasing arrangements, in consultation with CPS, where there are no purchasing contracts in place, in the following instances:

* for orders below £5,000;
* where there is demonstrably no genuine competition; or
* for orders that require to be made in an emergency.

An appropriate audit trail **must** be maintained for such purchases, including records of CPS consultation.

11.6 The total contract value of orders for similar goods and services **must** be used when assessing financial limits (ie, cost over lifetime of contract). Limits **must not** be avoided by deliberately splitting transactions into smaller components.

# **12.** ORDERS FOR GOODS AND SERVICES

12.1 Official orders **must** be raised for goods or services to be supplied to the Council. Where possible, these orders should be raised via the Integra eSeries Ordering Module.

12.2 Only a few exceptions exist to the requirement for an official order. These are where:

* an acceptance letter has been written following a tendering process;
* periodic payments such as rates and subscriptions have been agreed;
* payment is based on metered use such as gas, telephone, water, and electricity; and
* there are exceptional circumstances, and the specific approval of the **Chief Finance Officer** has been obtained.

12.3 Orders **must** be issued to the supplier in advance of any work, goods, or services being provided to the Council.

12.4 All orders (including internal orders to another Service) **must** be authorised via the Integra eSeries Ordering Module or be signed by an appropriate authorised signatory. **Chief Officers** **must** maintain up to date lists of authorised signatories.

12.5 The **Officer** authorising an order **must** be satisfied that:

* all appropriate procedures have been followed in the raising of the order;
* the expenditure is legal and within the power of the Council;
* there is sufficient budget provision;
* best value has been achieved (eg, by using an agreed contract / catalogue);
* the timing of the order and the quantities ordered are appropriate;
* the price has been agreed;
* the nature and quantity of goods or services is clearly stated on the order; and
* a correct ledger code has been provided.

12.6 **Officers** **must** adhere to the Council’s ‘Purchase Card’ guidance when using corporate purchasing cards. Such cards **must only** be used by **Officers** for making specialist, low value, purchases which require payment in advance. Appropriate controls over the issue and rescinding of cards, the imposition of transaction and monthly / annual authorisation limits, and the independent checking of transaction statements **must** be established and rigorously enforced.

# **13. PAYMENT FOR GOODS AND SERVICES**

13.1 All payments, except those out of imprests (petty cash) and advances, **must** be by the automated transfer of funds from the Council’s main bank accounts, cheque, or corporate purchasing card.

13.2 Goods and services **must** not be paid for in advance. In exceptional circumstances prepayment may be appropriate, but **must only** be undertaken after discussion with the relevant **Accountancy Services Manager**, and where it has been established that the advantages clearly outweigh the risks.

13.3 Invoices **must** be **promptly** input to the creditors system and matched to an order and goods received note. Non-purchase order invoices must be registered in the creditors system and **promptly** authorised.

13.4 The officer receipting goods or services must be satisfied that they have been **received**, **examined**, and **approved**, with appropriate entries made in inventories or stock records, where relevant.

13.5 Where an order has been placed and approved via the Integra eSeries Ordering Module, the corresponding invoice will not require further authorisation before it is paid (if it matches the order and goods receipt note). The system will automatically undertake this 3-way match and make payment. Goods or services should only be receipted in the system when the goods or services have been received.

13.6 Where an order has not been raised via the Integra eSeries Ordering Module, the corresponding invoice **must** be certified for payment by an authorised signatory. **Chief Officers** **must** maintain up to date lists of authorised signatories and **must** supply the Chief Finance Officer with the names and signatures of all such signatories.

13.7 In the absence of a proper invoice (and matched purchase order), a request for payment **must** be supported by appropriately authorised documentation (eg, Memo or Urgent / Weekly Payment request). Payments must not be made on the basis of suppliers’ statements.

13.8 The **Officer** certifying an invoice or other payment **must** be satisfied that:

* the goods or services have been **received** and are of the agreed quantity and quality;
* the invoice price matches the agreed purchase order price;
* the arithmetic is correct including discounts, credits, and VAT;
* appropriate entries have been made in inventories or stock records;
* the invoice has not previously been authorised for payment;
* the invoice is in the name of Falkirk Council (or an integral part of it);
* the invoice is a proper liability of the Council.

# **14. SALARIES, PENSIONS, AND EXPENSE CLAIMS**

14.1 New appointments and staff grade changes **must** be made in accordance with policies and procedures approved by the Director of Transformation, Communities, and Corporate Services. The Payroll and Pension Sections must be **timeously** notified by **Line Managers** of matters affecting all payment entitlements. Generally, this will be via the Corporate HR Forms Online system.

14.2 Overtime **must** be authorised by **Line Managers** prior to it being worked. **Line Managers** **must** have regard to the necessity and reasonableness of the overtime worked, and ensure that Working Time Regulations, and the principle of best value, are adhered to.

14.3 Claims for the payment of salaries, overtime, and other allowances (eg, travel and subsistence) **must** be submitted to the Payroll Section in a format specified by the Director of Transformation, Communities, and Corporate Services (e.g., MyView claim form) and in accordance with the relevant deadlines. In addition:

* claims **must** relate to a single pay period;
* claims **must** be supported with appropriate receipts (eg, petrol VAT receipt); and
* claims **must** be submitted **within 1 month** **of the end of the month to which the claim relates**. Claims submitted after this will only be paid if authorised by the relevant Chief Officer.

14.4 Claims submitted via MyView **must** be certified via that system. All claims for payment submitted out with MyView **must** be signed by the person completing the form and **must** be certified by an authorised signatory(s). The completing and certifying signatures can be either manual or electronic. **Chief Officers** must supply the Payroll Section with the names, designations, and specimen signatures of such authorised signatories (**including updates as and when there is a change**). **Payroll Section** must check signatories prior to processing for payment.

14.5 Documents that form the basis of a payment **must not** be completed and certified by the same person.

14.6 The certifying **Officer** **must** be satisfied that:

* claims have been completed fully, accurately, and in line with all guidance;
* claims are valid and not excessive or anomalous;
* in the case of expense claims, journeys were necessary and authorised, expenses properly and necessarily incurred, and allowances properly due;
* evidence of expenditure (eg, train or petrol VAT receipts) is provided where appropriate; and
* in the case of overtime claims, the Officer was authorised in advance to work the additional hours, and the claimed hours were actually worked.

14.7 On a **monthly** basis, the **Payroll Manager** will provide each Service Unit Manager with a report of the payments that were made to their employees in the preceding calendar month. The report provides managers with information that will enable them to identify any matters that may need further investigation and / or correction. For example, an employee who: appears to be wrongly coded to the Service Unit Manager’s budget; has an unexpectedly high payment; or has left employment but continues to receive payments.

14.8 The monthly payroll report process is a key financial control. **Service Unit Managers** **must** ensure that documentation is retained to confirm that the report has been checked and that any necessary investigation and / or corrective action has been taken.

14.9 Each **Service Unit Manager** **must** certify to the Payroll Manager, **before the end of the calendar month following receipt of the report**, that the report has been checked and that any exceptional or anomalous payments have been explained and corrected if necessary. Certifications may be collected by a named Service contact and provided in aggregate.

# **15. FOLLOWING THE PUBLIC POUND**

15.1 **Officers** **must** adhere to the Council’s ‘Funding at Falkirk’ guidance when allocating funds to external organisations. This guidance applies where funding is provided or transferred to arm’s length bodies such as companies, trusts, and voluntary organisations who provide services on behalf of the Council. Contractual arrangements agreed via competitive tendering are exempt, and Contract Standing Orders apply.

# **16. INVENTORIES**

16.1 **Chief Officers** **must** make arrangements for inventory lists to be drawn up for all areas of their Service. The inventory **must** include the details and location of office equipment, furnishings, plant and machinery, and any other valuable property. As a guide, a purchase price of £200 may be used to determine if an item should be included on an inventory list. Other factors, such as attractiveness and portability should, however, also be considered.

16.2 For insurance and business continuity purposes an electronic copy of all inventory lists **must** be kept by **Services**. These lists **must** be kept up to date, with at least an **annual** check of all items. Any significant discrepancies **must** be reported to the relevant **Line Manager** who will escalate if and as appropriate.

16.3 Council property must not be removed from Council premises, other than in the course of proper Council business. In addition, wherever practical, valuable items should be clearly marked as the property of the Council (eg, ICT equipment marked with an asset number).

16.4 The **Director of Transformation, Communities, and Corporate Services** (or their nominated representative) must be consulted before disposing of any ICT equipment. The disposal of other inventory items should be done in line with Financial Regulation 17.3.

# **17. STOCKS AND STORES**

17.1 **Chief Officers** are responsible for the control of all stocks and stores held within their Service. **Chief Officers** **must** ensure that:

* stock is securely stored;
* stock levels are kept at the minimum level required to meet operational requirements;
* stock records are sufficient and reliable, taking into consideration the value and risk associated with the stock; and
* stocks are counted **at least once per year**, and checked by a person independent of the day to day administration of the stock.

17.2 All stock write-offs up to the value of £1k **must** be authorised in writing by a **Service Unit Manager** independent of the day-to-day administration of the stock and reported to the relevant Chief Officer. All stock write-offs in excess of £1k **must** be authorised in writing by the relevant **Chief Officer**. All stock losses or write-offs **must** also be reported to the Accountancy Services Manager by the relevant **Chief Officer (or their nominated representative)**.

17.3 Surplus stocks can be disposed of as follows:

* If the income realised is expected to be under £5,000, **Chief Officers** may authorise its disposal (while taking cognisance of 17.4 below); and
* If over £5,000, disposal must be by competitive tender, public auction, or equivalent, in consultation with the **Central Purchasing Service**.

17.4 Where surplus stocks are not suitable for sale or auction, the methods of disposal **must** follow the priority order below:

* **Reuse**: clarify whether there is an interest in the reuse of the surplus stocks, firstly within the disposing Council Service, then with other Council Services and then finally with charity or voluntary groups. The stocks should be transferred to those intending to reuse them following any necessary treatment, for example removal of Council markings;
* **Recycle**: if there is no demand for reuse then the surplus stocks, where practical, should be appropriately recycled; and
* **Disposal**: if the surplus stocks cannot practically be reused or recycled then they should be disposed of in an appropriately licensed landfill facility and, where applicable, in accordance with the requirements of the Environmental Protection Act 1990.

# **18.** VEHICLES, PLANT, AND EQUIPMENT

18.1 Each **Chief Officer** is responsible for the security, operation, and control of all vehicles, plant, and equipment in use within their Service (whether owned or hired), and for compliance with any guidance issued by the Fleet Manager or their Service (eg, Driving at Work Policy).

18.2 **Chief Officers** are also responsible for ensuring that best value is achieved through the use of all vehicles, plant, and equipment, whether owned, leased, or hired, and for ensuring that Service fleet size and structure, and vehicle type and usage, is commensurate with business need.

18.3 All vehicles surplus to requirements **must** be disposed of by public auction, or by such other method as the **Fleet Manager**, and the **Central Purchasing Service**, may jointly determine.

# **19.** ESTATES AND PROPERTY SECURITY

19.1 The **Director of Transformation, Communities, and Corporate Services must** maintain a complete, accurate, and up to date register of all Council houses in line with the Local Housing Strategy.

19.2 The **Director of Place** **must** maintain a complete, accurate, and up to date register of all other properties, owned or leased by the Council, in line with an agreed Property Management Plan.

19.3 The **Chief Governance Officer** **must** keep all title deeds secure.

19.4 Responsibility for overseeing the security, control, and maintenance of individual operational Council properties rests with the appointed **Premises Manager**. **Chief Officers** **must** formally appoint a Premises Manager for all buildings within their Service, and ensure that the Premises Manager fulfils their obligations as per the Premises Manager’s Handbook.

# **20.** INTERNAL AUDIT AND CORPORATE FRAUD

20.1 The Local Authority Accounts (Scotland) Regulations 2014 Provision 7 requires that Falkirk Council operates 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.

20.2 **Chief Officers** are responsible for identifying and managing the risk of fraud and corruption, for ensuring that appropriate risk management, internal control, and governance arrangements are in place, and for ensuring that best value is achieved. The **Chief Finance Officer** **must** make arrangements for the **continuous** and effective Internal Audit of such arrangements.

20.3 When assessing the arrangements in place, Internal Audit **must** comply with relevant professional guidance, currently the CIPFA / CIIA Public Sector Internal Audit Standards.

20.4 **Internal Audit’s** role, authority, and responsibility is set out in an Internal Audit Charter.

20.5 **Internal Audit** will provide an **Annual Assurance Report** to Audit Committee providing an opinion on the adequacy of the Council’s arrangements for risk management, governance, and control.

20.6 Falkirk Council has an approved Anti-Fraud and Corruption Strategy and has a zero-tolerance approach to all forms of fraud, theft, and corruption. The Corporate Fraud Team operates a whistleblowing hotline. See the Confidential Reporting Policy. **Officers** **must** promptly notify the Chief Finance Officer and the Internal Audit, Risk, and Corporate Fraud Manager of all possible or actual financial irregularities (eg, via the Council’s Confidential Reporting Policy).

20.7 The **Chief Finance Officer**, the **Internal Audit, Risk, and Corporate Fraud** **Manager**, and the relevant **Chief Officers** will form an opinion on the process to be followed on notification of an irregularity. This decision will be made with regard to the Anti-Fraud and Corruption Strategy and guidance on Financial Irregularity Investigations. The **Chief Executive** and **Chief Governance Officer** will be informed in material cases (financial or reputationally), and the **Director of Transformation, Communities, and Corporate Services** advised if formal disciplinary action is likely.

20.8 Internal Audit will act as Key Contact for the **bi-annual** National Fraud Initiative exercise and as the Council’s Single Point of Contact with Police Scotland in relation to Serious Organised Crime and Corruption.

# **21.** RISK MANAGEMENT

21.1 The **Corporate Risk Management Group** is responsible for ensuring that there is a consistent approach to risk management across the Council. The Group will be chaired by a Chief Officer and is responsible for ongoing review and oversight of the Corporate Risk Register.

21.2 **Chief Officers** **must** ensure that appropriate Risk Management arrangements are established within their Service, linking into the Corporate Risk Register as appropriate.

21.3 The Corporate Risk Assurance Policy and Framework (agreed by the Executive in October 2021) states that Service Management Teams are responsible for ensuring that:

* Services’ risk management arrangements are effective and flexible, and consistent with Service planning and performance management processes;
* Service Management Teams support Corporate Risk Management Group;
* Services’ Assurance Statements are reviewed and updated regularly (at least quarterly);
* Governance Groups operate in line with their agreed Terms of Reference and review their effectiveness (at least annually); and
* Service Managers and Risk Specialists are involved in Corporate Risk Register and Service Assurance Statement reviews.

21.4 The Corporate Risk Assurance Policy and Framework also sets out the roles of key officers, committees, and groups; as well as the process for review and escalation of corporate risks.

# **22.** BUSINESS CONTINUITY

22.1 **Chief Officers** **must** have a comprehensive Business Continuity Plan(s) in place for their Service, covering all operational activities and locations. The relevant **Officers** must be aware of, and properly trained to ensure the effectiveness of, the Plan. Plans should be tested at least **annually**.

22.2 Updated copies of Business Continuity Plans **must** be passed to the **Emergency Planning Section of Place Services** which will act in a corporate co-ordinating capacity for the Plans.

22.3 The **Emergency Planning Section** will maintain the Council’s Emergency Plan for dealing with emergencies affecting the public in the Falkirk Council area. **Chief Officers** **must** assist with this plan, for example, by providing regular updated information.

# **23.** INSURANCE

23.1 The Insurance Section are responsible for arranging all appropriate insurances for the Council (eg, Employers Liability Insurance, Public Liability Insurance, and Fidelity Guarantee Insurance).

23.2  **Officers** **must** **promptly** notify the Insurance Section in writing of any:

* changes in properties, vehicles, or equipment;
* new or increased risks;
* activities or events which may result in claims against the Council; and
* loss, liability, or damage.

23.3 **Officers** **must** notify the **Director of Transformation, Communities, and Corporate Services** of all cases involving personal injury.

23.4 **Chief Officers** **must** consult the **Chief Finance Officer** and the **Chief Governance Officer** regarding the terms of any indemnity which the Council is requested to give.

# **24.** BANKING ARRANGEMENTS AND CHEQUES

24.1 All arrangements with the Council's bankers, including indemnities, **must** be made by, or under arrangements approved by, the **Chief Finance Officer**.

24.2 Bank accounts **must not** be opened unless authorised in writing by the **Chief Finance Officer**.

24.3 Any direct debits or standing orders **must only** be set up by the **Income Management and Treasury Management Section’s** in accordance with procedures put in place by the **Chief Finance Officer**.

24.4 The **Chief Finance Officer** **must** ensure that secure arrangements are in place for the ordering, storage, and printing of cheques.

24.5 Cheques drawn on the Council's main bank accounts will bear the signature of the Chief Finance Officer or be signed by the **Chief Finance Officer** or **other Officers formally authorised by the Chief Finance Officer**.

24.6 All arrangements for transfer, receipt, or payment using any form of automated bank transfer will be made by, or under arrangements approved by, the **Chief Finance Officer**.

24.7 Personal cheques **must not** be cashed out of money held on behalf of the Council or substituted for cash collected on behalf of the Council.

# **25.** CASH

25.1 The **Chief Finance Officer** may provide an imprest to **Officers**, for the purpose of paying for minor petty cash expenditure. Imprests will be operated in accordance with detailed imprest procedures issued by the Chief Finance Officer.

25.2 **Chief Officers** **must** **promptly** advise the **Chief Finance Officer** of all new circumstances within the Service where cash is held or is otherwise under the control of Officers of the Council. **Chief Officers** **must** ensure that the minimum level of cash is held, subject to the practicalities of individual circumstances.

25.3 The transfer of cash, incoming cheques, or valuables, from one Officer to another should be evidenced by a receipt or written record. **Chief Officers** are responsible for ensuring that Officers are provided with the appropriate training, guidance, and documentation to allow the evidencing of all transfers.

25.4  **Chief Officers** are responsible for the security of safes and safe contents. Access **must** be controlled and limited, and security should be commensurate with risk. A register of keyholders **must** be maintained and the loss of any key **must** be reported **immediately** to the relevant Chief Officer.

# **26.** PENSION FUND INVESTMENTS

26.1 All pension fund investments will be made in the name of the Council, or in the name of nominees approved by Committee. Bearer securities are excepted from this regulation, but the purchase of bearer securities must be reported to Committee.

26.2 All securities other than heritable securities will be deposited with the **Chief Finance Officer**, or the **nominees approved by Committee**.

26.3 The **Chief Finance Officer** will report **periodically** on investment strategy, and on the progress of investments, to the Pensions Committee.

# **27.** TREASURY MANAGEMENT

27.1 The **Council** **must** adopt the key recommendations of CIPFA’s Treasury Management in the Public Services: Code of Practice 2017 (as subsequently revised). Accordingly, the **Council** will create and maintain:

* a Treasury Management Policy Statement, stating the policies, objectives, and approach to risk management of its treasury management activities; and
* suitable Treasury Management Practices, 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.

27.2 The **Chief Finance Officer** will provide reports to Council on treasury management policies, practices, and activities, including, as a minimum: an **annual strategy and plan** in advance of the year; **a mid-year report**; and an **annual report** after its close.

27.3 The **Executive** is responsible for the implementation, scrutiny, and monitoring of the Council’s treasury management strategy, policies, and practices. The **Chief Finance Officer** is responsible for the execution and administration of treasury management decisions (in accordance with the Council’s Policy Statement and Treasury Management Practices, and CIPFA’s Standard of Professional Practice on Treasury Management).

27.4 All borrowing and lending **must** be in the name of the Council.

27.5 The **Chief Finance Officer** will be the Council’s registrar of stocks, bonds, and mortgages granted by the Council, and will maintain records of all borrowing of money by the Council.

27.6 The **Chief Finance Officer** will be responsible for ensuring the Council’s compliance with CIPFA’s Prudential Code for Capital Finance in Local Authorities, including the preparation, and monitoring of prudential indicators.

# **28.** INDEPENDENT FUNDS

28.1 Independent funds are those operated by Council Officers by reason of their employment with the Council (eg, school funds and donation accounts).

28.2 These funds **must** be operated in accordance with any specific guidance issued by the Chief Finance Officer (or relevant Chief Officer).

28.3 **Chief Officers** are responsible for: authorising the establishment of funds; maintaining a register of all funds and bank accounts; and ensuring all funds with their own bank accounts are audited annually.

# **29.** CLIENT FUNDS

29.1 Any **Officer** who, by reason of their employment with the Council, is responsible for the custody or management of cash or property belonging to a third party, **must** employ standards of stewardship no less than those laid down elsewhere in these Regulations.

29.2 **Officers** **must** adhere to any guidance issued by the relevant Chief Officer.

29.3 Each **Officer** **must**, if required by the Chief Finance Officer or relevant Chief Officer, **immediately** provide a full account of all cash and property received from, or on behalf of, a third party.

# **30.** TRUST FUNDS

30.1 Trust funds are money or other assets to be used for the purpose(s) specified in the trust deed. Trust funds are commonly used as a method of donating money for the benefit of a community or project, for example bequests from the public.

30.2 A trust deed setting out the terms and conditions of the trust **must** be deposited with the **Chief Governance Officer**, and the funds operated under the directions of the **Chief Finance Officer** and the **Chief Governance Officer**.