

ABERDEEN CITY & SHIRE STRATEGIC DEVELOPMENT PLANNING AUTHORITY

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

1. INTRODUCTION

- 1.1 Financial regulations provide the framework for managing the Aberdeen City & Shire Strategic Development Planning Authority's (SDPA) financial affairs and apply to every member and employee of the SDPA or anyone acting on its behalf.
- 1.2 All members and employees have a general responsibility for taking reasonable action to provide for the security of assets under their control, and for ensuring that the use of these resources is legal, properly authorised, and provides value for money.
- 1.3 It shall be the responsibility of the Strategic Development Plan (SDP) Manager to ensure that members of staff are aware of, and comply with the requirements contained in, the Financial Regulations.
- 1.4 These Financial Regulations shall not be altered or suspended except by the Management Team following consideration of a report from the proper Officer of the SDPA.

2. GENERAL

- 2.1 The Head of Finance of Aberdeenshire Council, as the "proper Officer", in terms of Section 95 of the Local Government (Scotland) Act 1973, shall be the adviser on financial matters and shall be responsible for the proper administration of the SDPA financial affairs.
- 2.2 The SDP Manager shall consult the Head of Finance in respect of any matter which is liable to materially affect the finances of the SDPA before any provisional or other commitment is incurred or before reporting thereon to the SDPA. Such consultations must be in writing, allowing at least five clear working days for consultation.
- 2.3 The Financial Regulations will refer to the SDP Manager throughout the document as the officer responsible for the operational activities of the Authority. It is accepted that the wider Management Team which will include the SDP Manager and the Head of Planning and Infrastructure of Aberdeen City Council and the Head of Planning Policy and Environment of Aberdeenshire Council will have a role in ensuring that the Authority applies and complies with these Regulations.
- 2.4 The following principles shall be observed in the allocation of accounting duties -
 - (a) The duties of providing information regarding sums due to or from the Authority, and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
 - (b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these

transactions.

3. FINANCIAL PLANNING AND MANAGEMENT

The Authority needs to plan effectively and develop systems to enable scarce resources to be allocated in accordance with carefully weighted priorities. The Authority's Revenue Budget is the financial expression of the agreed plans and policies.

Budget management ensures that once the budget has been approved by the SDPA, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

3.1 Revenue Budget Preparation

- 3.1.1 The detailed form and timetable to be followed in respect of the Revenue Budget shall be determined by the Head of Finance subject to any direction of the SDPA, and after such consultations with each Director of the Partner Council's Planning Service as may be necessary.
- 3.1.2 Estimates of income and expenditure on revenue account shall be prepared by the Head of Finance in conjunction with each Director. These estimates shall be submitted to the SDPA, and when approved by that body, shall constitute the Revenue Budget for the relevant financial year.
- 3.1.3 The responsibility for providing the services included in the Revenue Budget shall lie with the SDP Manager subject to any relevant subsequent decisions made by the SDPA.

3.2 Revenue Budget Monitoring

- 3.2.1 The Head of Finance shall furnish SDP Managers with continuous up-to-date information on actual expenditure and income compared with the approved Budget. The Head of Finance shall be entitled to receive any clarification deemed necessary on any item of expenditure or income and managers shall correspondingly provide the Head of Finance with such information as he or she shall require from them.
- 3.2.2 The Head of Finance shall report periodically to the SDPA on comparisons of actual figures with profiled budget and, for the year as a whole, as soon as possible after Accounts have been compiled. The SDPA shall be entitled to seek explanations for any figures in the cost comparison which it deems require special attention.

3.3 Revenue Budget Management

- 3.3.1 The responsibility for ensuring that Revenue Budget provisions are not exceeded shall rest with the SDP Manger except that this responsibility shall not extend to estimates for financing costs or insurance premiums which are the responsibility

of the Head of Finance.

- 3.3.2 If it appears that the amount of any Revenue Budget head may be exceeded, or the amount of any head of approved income may not be reached, and the excess expenditure or shortfall in income cannot be met by the Manager concerned exercising his or her powers of virement in terms of Financial Regulation 3.4 below, it shall be the duty of the SDP Manager after consultation with the Head of Finance, to report fully to the SDPA which should endeavour to find the amount required elsewhere in its Budget.
- 3.3.3 Any proposal which would involve the incurring of additional expenditure not allowed for in the approved Revenue Budget, shall be accompanied by a report prepared, in consultation with the Head of Finance, by the SDP Manager concerned indicating that there is insufficient provision in the Revenue Budget, or making proposals for virement as required by Financial Regulation 3.4 below. Should virement not be possible, authorisation by way of a Supplementary Estimate shall only be forthcoming after consideration of the expenditure involved by the appropriate Committees of the partner Councils.

3.4 Scheme of Virement

The scheme of virement is intended to enable the Authority to manage budgets with a degree of flexibility within the overall policy framework determined by the Authority, and therefore to optimise the use of resources. The term "virement" refers to the switching of budgetary provision from one budget detail head to another.

3.4.1 Virement may be exercised by the SDPA alone.

3.4.2 Limitations:-

Expected savings on Financing Costs or recharges from other Services of the Partner Councils cannot be utilised.

Recurring items of expenditure cannot replace non-recurring savings.

Virement cannot be used to reinstate an item deleted by SDPA during Budget consideration.

3.4.3 Definitions:-

"Budget detail head" means any single line in the detail section of the Authority's approved Revenue Budget (e.g. Staff Costs, Administration costs,

3.4.4 When the SDP Manager intends to vire, or to submit a report to the SDPA suggesting virement, the proposals shall first be notified to the Head of Finance.

3.5 Accounting Policies and Abstract of Accounts

The Head of Finance is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices and as set out in the

format required by the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC), for each financial year ending 31 March. Maintaining proper accounting records is one of the ways in which the SDPA discharges its responsibility for stewardship of public resources. The SDPA has a statutory responsibility to prepare its accounts to present fairly its operations during the year.

- 3.5.1 In view of the above, it shall be the Head of Finance's responsibility to select suitable accounting policies and to ensure that they are consistently applied to the accounts relating to each financial year. It shall be the duty of the SDP Manager to maintain proper financial and accounting records within his service to demonstrate the adequate stewardship of public resources. No such arrangements shall be introduced, discontinued or amended without the approval of the Head of Finance.
- 3.5.2 The Abstract of Accounts for the preceding financial year shall be prepared by the 30 June following, or by such date as may be specified by Scottish Ministers in regulations made under Section 105 of the Local Government (Scotland) Act 1973, and submitted, by that date, to the SDPA and to the Controller of Audit. Following completion of the Audit, the Head of Finance shall submit to the Council, not later than two months following receipt, a certified copy of the Abstract together with the External Auditor's report thereon.
- 3.5.3 The SDP Manager shall be responsible for ensuring that the staff in his or her Service affords to the Head of Finance such assistance as is necessary to ensure that the deadlines agreed with the Head of Finance for the completion of the Annual Accounts are complied with.
- 3.5.4 The SDP Manager shall provide to the Head of Finance any information on Statutory Performance Indicators specified for his or her service in time to meet the Audit requirements and the statutory timetable of publication of Performance Indicators.

4. RISK MANAGEMENT AND CONTROL OF RESOURCES

All organisations face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure its continued financial and organisational well-being.

4.1 Internal Control

Internal controls are the mechanisms put in place by management to: manage and monitor progress towards the organisations strategic objectives; ensure compliance with legislation, regulations and policies; ensure that operations are efficient and effective; ensure that financial information and reporting is reliable; and to protect the organisations assets and resources.

- 4.1.1 It shall be the responsibility of the Head of Finance to assist the Authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- 4.1.2 It shall be each Manager of the Authority responsibility to ensure that the established controls are being adhered to, to seek guidance from the Head of Finance when it is identified that controls require change and to advise of identified failures to comply with established controls.

4.2 Insurances and Indemnities

One of the tools used in managing risk is the arranging of suitable insurance cover. This assists in lessening the likelihood of financial burden on the organisation in the event of loss and helps in the management of expenditure.

- 4.2.1 It shall be the responsibility of the Head of Finance to effect all insurance cover and negotiate all claims in consultation with other officers where necessary.
- 4.2.2 The SDP Manager shall give prompt notification to the Head of Finance of all new risks, properties, equipment or other vehicles which require to be insured and of any alterations affecting existing insurances.
- 4.2.3 The SDP Manager shall immediately notify the Head of Finance in writing of any loss, liability or damage or any event likely to lead to a claim, and inform the police if he or she considers that criminal activity may have taken place.
- 4.2.4 The Head of Finance shall annually, or at such other period as may be considered necessary, review all insurances in consultation with the SDP Manager and others as appropriate, and may report thereon to the SDPA if required.
- 4.2.5 The SDP Manager shall consult the Head of Finance and the appropriate legal service officers respecting the terms of any indemnity which the Council is requested to give.

4.3 Assets

The Authority may hold assets in the form of property, vehicles, equipment, furniture and other items. It is important that these assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

- 4.3.1 The SDP Manager is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc., under his or her control and shall consult the Head of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

4.4 Stocks and Stores

- 4.4.1 Responsibility for the care and custody of stocks and stores under his or her control shall rest with the SDP Manager, who shall ensure that such assets are secure and adequately accounted for. Records shall be maintained detailing the location, movement and balance of items held which shall themselves be subject to a regular independent physical check.
- 4.4.2 The SDP Manager shall supply to the Head of Finance such information as is required in relation to stores for the accounting, costing and financial records. Surplus materials, stores, or equipment shall be disposed of in accordance with Regulation 4.7.

4.5 Inventories

- 4.5.1 Inventories shall be maintained of all assets other than those included in the Asset Register and shall record an adequate description of furniture, fittings and equipment, plant and machinery etc., as required by the Head of Finance.
- 4.5.2 The SDP Manager shall be responsible for maintaining an inventory of the assets under his or her control, and for taking action in relation to discrepancies.
- 4.5.3 The SDPA's property shall not be removed otherwise than in accordance with the ordinary course of SDPA business or used otherwise than for the SDPA's purpose, except with specific written authorisation from the SDP Manager concerned.

4.6 Disposal of Assets

- 4.6.1 All surplus plant, vehicles, equipment and furnishings expected to realise more than £1,000 (exclusive of VAT) where no suitable trade-in arrangements have been made, shall be offered for sale by the SDP Manager in consultation with the Head of Finance ensuring that best value is achieved and can be demonstrated. In the case of items expected to raise more than £5,000 (exclusive of VAT) individually, the provisions of Financial Regulations 5.3.5 must be followed.

4.7 Treasury Management

The SDPA does not involve itself directly in Treasury Management. This role is performed by Aberdeenshire Council on its behalf and this function is exercised by the Council as a small part of its wider Treasury management role. The SDPA will place reliance on the practices adopted by the Council for this function and the Council's financial regulation is detailed here for noting. Many millions of pounds pass through the Council's accounts each year. Because of this, codes of practice have been established which aim to provide assurances that Council money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of assets.

- 4.7.1 The recommendations of the Chartered Institute of Public Finance and Accountancy Code of Practice on Treasury Management in the Public Services described in Section 4 of that Code shall be adhered to by the Council. Section 4 of the Code contains four key recommendations relating to the policies and practices to be adopted by local authorities, reporting arrangements, the management and control of risk and best value.
- 4.7.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and objectives of its treasury management activities
 - suitable treasury management practices, setting out the manner in which the Council will seek to achieve those policies and objectives, these to be maintained by the Head of Finance.
- 4.7.3 The content of the policy statement and treasury management practices will follow the recommendations contained in sections 6 and 7 of the Code, (subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key recommendations). The Council shall set out its strategy and procedures to ensure compliance with the Code in a Treasury Management Policy Statement and this shall be monitored by the Policy & Resources Committee.
- 4.7.4 The Policy and Resources Committee of the Council will receive reports on treasury management policies and practices, including an annual strategy and plan in advance of the year. The Head of Finance shall report, through the Policy and Resources Committee Bulletin, on the activities of the Treasury Management operation and on the exercise of Treasury Management powers delegated to him/her. Within the Statement of Accounts, he/she shall report on the Treasury Management activities for the previous financial year.
- 4.7.5 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Policy and Resources Committee and for the execution and administration of treasury management decisions to the Head of Finance. The Head of Finance will act in accordance with the Council's policy statement and treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.
- 4.7.6 The Head of Finance shall normally act as a Registrar for all Stock, Bonds, Bills

etc., and shall maintain records of all monies borrowed by the Council. Where required to facilitate a particular method of borrowing, the Council's Banker or other agent approved by the Policy & Resources Committee may be appointed Registrar.

4.8 Banking Arrangements

- 4.8.1 At this time it is not considered appropriate for the SDPA to enter into separate banking arrangements. Aberdeenshire Council administers all financial transactions through its own systems and transactions are recorded through its own current banking arrangements. The SDPA does not require overdraft, borrowing or lending facilities but will rely on Aberdeenshire Council to administer this function in accordance with its own financial regulations.

4.9 Staffing

In order to provide the highest level of service, it is crucial that the authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

- 4.9.1 It shall be the responsibility of the SDP Management Team to ensure that the Authority's Policy in relation to the recruitment and selection of staff is fully complied with and that all other Personnel Policies approved by the Authority are adhered to.
- 4.9.2 Appointments of all employees shall be made in accordance with approved establishments, grades, and rates of pay. SDP Management Team shall have discretion as to the incremental salary point on which employees are to be placed within the approved salary scale for the post, subject to the existence of sufficient provision in the Revenue Budget.

4.10 Internal Audit

The requirement for an internal audit function for local authorities is implied by section 95 of the Local Government (Scotland) Act 1973, which specifies that every local authority "shall make arrangements for the proper administration of their financial affairs and shall secure that the proper officer has responsibility for those affairs". Scottish Office Circular 5/85 states that "effective internal audit cover is regarded as a matter of good practice."

- 4.10.1 A continuous internal audit, under the independent control and direction of the Director of Corporate Services of Aberdeenshire Council, shall be arranged to carry out a continuous review and appraisal of the internal controls of the Authority and prepare such reports on these as may be required or appropriate. Work will be planned to provide reasonable, rather than absolute, assurance and shall be undertaken in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. Such Internal Audit work shall not absolve management of the responsibility to ensure that all financial transactions are undertaken in accordance with the Authority's Financial Regulations and Standing Orders and that adequate systems of internal control exist to safeguard assets and secure the accuracy and reliability of records.

4.10.2 Internal Audit shall have authority to -

- (a) Enter at all reasonable times any Authority premises or land.
- (b) Have access to all records, documents and correspondence relating to any financial and other transactions of the Authority.
- (c) Require and receive such explanations as are necessary concerning any matter under examination.
- (d) Require any employee of the Authority to produce cash, stores, equipment or any other Council property under his or her control.

4.10.3 It shall be the responsibility of all staff to ensure that access and explanations requested by Internal Audit are provided in a timely manner on all occasions.

4.10.4 The Chief Internal Auditor has the right to report direct to the Authority in any instance where he or she deems it inappropriate to report direct to the Head of Finance of Aberdeenshire Council or the Management Board.

4.10.5 Upon receipt of a report by the Chief Internal Auditor, the SDP Manager shall respond fully within one calendar month.

4.10.6 Where recommendations resulting from Internal Audit work are agreed, the SDP Manager shall ensure that these are implemented within the agreed timescale. Regular progress reports will be sought by Internal Audit and it is the responsibility of the SDP Manager to ensure that these are provided when requested along with explanations for those recommendations not implemented within the agreed timescale.

4.11 Prevention of Fraud and Corruption

The Authority will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside the organisation. The expectation of propriety and accountability is that members and officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

4.11.1 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, equipment or other property of the Authority or any suspected irregularity in the exercise of the functions of the authority, the SDP Manager concerned shall immediately notify the Head of Finance and the Chief Internal Auditor of Aberdeenshire Council, as appropriate, who shall take such steps as may be considered necessary by way of investigation and report.

4.11.2 In order to assist in the prevention of fraud and corruption appropriate internal controls will be established in accordance with Financial Regulation 4.1.

4.11.3 All members and employees will be expected to comply with the Authority's Disclosure of Information (Whistleblowing) and Anti-fraud and Corruption Policies.

4.12 Hospitality

- 4.12.1 The SDP Management Team shall be entitled to extend hospitality, subject to adequate Revenue Budget provision up to £300 (excluding VAT) per occasion.
- 4.12.2 When hospitality is estimated to cost in excess of £300, but not more than £1,500 (exclusive of VAT) per occasion, written approval shall first be obtained from the Chair of the Authority
- 4.12.3 Hospitality estimated to cost in excess of £1500 (exclusive of VAT) per occasion shall require the prior approval of the SDPA.
- 4.12.4 Reasonable hospitality extended to Council and SDPA employees by current or prospective clients, customers or suppliers, is an accepted practice, but the acceptance of excessive hospitality or gifts, other than mere tokens, goes beyond what is proper for a public official, regardless of whether such gifts actually do, or are intended to, influence him or her in an official capacity. Any such hospitality or gifts must be recorded in a register kept by the SDP Manager for the purpose.
- 4.12.5 Subject to 4.14.4, gifts may only be accepted by employees provided they fall within the terms of the Inland Revenue Extra Statutory Concession No.A70(A). This effectively limits the value of gifts to £150.
- 4.12.6 Hospitality or gifts received by Councillors must be dealt with in accordance with the Code of Conduct for Elected Members, and must be recorded in a register kept for the purpose by the appropriate legal advisor or equivalent in each partner Council.

5. FINANCIAL SYSTEMS AND PROCEDURES

5.1 Income

Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Authority's cashflow and also avoids the time and cost of administering debts.

- 5.1.1 Charges levied by the Authority shall be reviewed in accordance with the appropriate Charging Policy.
- 5.1.2 It shall be the duty of the Head of Finance to ensure the proper recovery of all monies due to the Authority. To this end, he or she shall ensure that proper financial and accounting arrangements are made for the recording, collection, custody, control and disposal of cash.
- 5.1.3 All money received by an Officer on behalf of the Authority shall without delay be paid to the Head of Finance or, as he or she may direct, to Aberdeenshire Council's Bank or Girobank account or transmitted directly to any other body or person entitled thereto. No deduction may be made from such money save to

the extent that the Head of Finance may specifically authorise. Appropriate accounting entries shall be effected in a timely and accurate manner to record all income due and collected.

- 5.1.4 Maximum limits for cash holdings shall be agreed with, and shall not be exceeded without the express permission of the Head of Finance
- 5.1.5 Irrecoverable debts up to a value of £6,000 may be written off by the Head of Finance in consultation with the SDP Manager. Debts in excess of £6,000 may be written off only after due consideration and approval by the SDPA. All irrecoverable debts, where the debtor has been subject to bankruptcy, sequestration or liquidation, may be written off by the Head of Finance.
- 5.1.6 If the impact of such a write-off is such that it will result in the amount of any revenue budget head being exceeded, or an income figure not being reached, then the provisions of Regulation 3.3.2 shall apply.
- 5.1.7 An irrecoverable debt is one where there is no reasonable prospect of recovery. Once formally written off, no active pursuit of the debt will normally be undertaken.

5.2 Authority to Incur Expenditure

- 5.2.1 The SDP Manager shall have authority to incur expenditure included in the approved Revenue Budget for the services for which he or she is responsible up to the level of the Budget provision subject to Regulations 5.2.2 to 5.2.4 below.
- 5.2.2 Expenditure on the alteration, maintenance or repair of buildings may not be incurred until appropriate technical or professional advice has been taken. Expenditure on I.T. software and hardware may not be incurred until appropriate technical or professional advice has been taken.
- 5.2.3 Single items of expenditure on supplies, goods, materials or services shall require competitive quotations in accordance with tendering arrangements set out in Regulation 5.3.

5.3 Contracts or Orders for Works, Goods or Services

Public money should be spent with demonstrable probity and in accordance with the policies. Authorities have a responsibility to achieve best value in part through economy and efficiency. The adopted procedures should help to ensure that Services obtain value for money from their purchasing arrangements.

- 5.3.1 No work, goods or services shall be ordered or instructed except on an official order form, which shall be in a format approved by the Head of Finance. Where by reason of urgency or necessity a verbal order is issued, it must be confirmed immediately in writing by the issue of an official order form. The supplier shall be requested to quote order numbers on all invoices.
- 5.3.2 The order shall be signed in manuscript by the SDP Manager or other authorised signatory, or by appropriate electronic methods as approved by the Head of

Finance. The Authority must furnish the Head of Finance with a list of signatories approved for this purpose, and shall advise him or her of additions to or deletions from the list as they occur. The officer approving the order should be satisfied that there is appropriate budgetary provision covering the estimated cost which shall be recorded on the order prior to authorisation.

- 5.3.3 The foregoing does not apply to supplies of metered services, periodical payments such as rent and rates, and petty cash purchases. Further, the Head of Finance may approve other exceptions provided that he or she is satisfied as to the arrangements put in place to adequately control expenditure.
- 5.3.4 Where the value is estimated to be less than £10,000 contracts may be entered into by the SDP Manager at his or her discretion without the application of Financial Regulations 5.3.5 to 5.3.9, if:
- a) the goods, materials or services are proprietary articles or are sold only at a fixed price, and no reasonably satisfactory alternative is available; or
 - b) the prices of the goods, materials or services are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available; or
 - c) for other reasons, there would be no genuine competition; or
 - d) the work to be executed or the goods, materials or services constitute an extension of an existing contract (and all other requirements of Financial Regulations are satisfied); or
 - e) the contract is for the execution of work or supply of goods, materials or services certified by the SDP Manager concerned as being required so urgently as not to permit the invitation of tenders; the circumstances to be reported to the next meeting of the SDPA for information; or
 - f) the work to be executed or goods, materials or services supplied consist of repairs to or the supply of parts for existing proprietary machinery or plant; or
 - g) the SDP Manager can otherwise demonstrate that the goods or services have been obtained in the most economical way possible.
- 5.3.5 Where the contract price is estimated to be over £10,000, but less than £60,000, competitive quotations must be obtained in writing from at least four parties, including, where appropriate, internal service providers. Should the procuring Service be unable to identify four parties, the Head of Procurement of Aberdeenshire Council must be contacted to obtain authority to proceed under Financial Regulation 5.3.3 with less than four quotations.
- 5.3.6 If the contract price is estimated to be £60,000 or over, a formal tender document shall be issued to approved tenderers, including, where appropriate, internal service providers, in accordance with Aberdeenshire Council's current Scheme for Selective Tendering which shall provide for the maintenance of a list

of approved contractors and details of internal service providers. Where appropriate, public advertisements may be placed seeking contractors / suppliers interest in bidding for certain contracts let by the Authority. Contractors / suppliers expressing an interest shall be invited to tender following an appropriate vetting process.

- 5.3.7 When an e-auction is to be conducted, the financial limits set out in paragraphs 5.3.5 and 5.3.6 must be adhered to. Appropriate suppliers will be advised of the e-auction and full details will be placed on the Authority's website. If a supplier is not on the approved list of tenderers but is successful as a result of the e-auction, robust and appropriate financial checks will be undertaken before acceptance of their tender is made.
- 5.3.8 Tenders shall be opened, or e-tenders shall be viewed, by an officer in the presence of two members of the SDPA or, if members are not available, officers from the Council advisors to the SDPA. These members or officers shall indicate their presence by signing each tender and writing the date of opening thereon, or in the case of e-tendering, signing and dating a printed copy of the electronic tender.
- 5.3.9 For the avoidance of doubt, all references to "contract price" shall be read as referring to (a) the total price of the offer, where the Authority is the sole customer or client or (b) the Authority's contribution, where the Authority is one of a group or partnership of organisations acting as customer or client.
- 5.3.10 Where works, goods or services can be provided by a Service of the Partner Councils, orders should be placed with that Council Service. It is the responsibility of the Manager of the in-house provider to ensure that Best Value is achieved by either carrying out such work or sub-contracting it to an external provider.
- 5.3.11 Where the Authority enters into contracts or framework agreements covering the provision of goods, works or services for the partner Councils, orders for such goods, works or services shall be placed with the contracted suppliers.
- 5.3.12 Where an extension to an existing contract is required for a period of up to twelve months, the matter shall be delegated to the appropriate officer of the Authority, in consultation, where appropriate, with the Head of Procurement, and subject to the current appropriate EC directives on public procurement. Where a second extension to an existing contract is required, the matter shall be delegated to the SDPA. These stipulations shall apply to all extensions of contracts of less than twelve months' duration, without any upper limit in value.

5.3.13 Second hand goods up to a value of £60,000 may be acquired without a competitive quotation being obtained provided that:

- a) the SDP Manager can demonstrate that the purchase is necessary to facilitate service delivery
- b) the SDP Manager can demonstrate that the purchase represents best value, having given due consideration to the cost of an equivalent new purchase and estimated life of the asset both from new and current age
- c) the goods have been subject to inspection to ascertain their physical condition, with a record kept of the outcome of the inspection
- d) the Authority has clear title to the goods
- e) the SDP Manager obtains in writing (incl e-mail) the prior agreement of the Head of Finance before effecting the purchase.

5.4 Payment of Accounts

In order to ensure the probity of payments, it is essential that appropriate controls are in operation to confirm that the expenditure has been appropriately committed in accordance with Regulation 5.3, the works, goods or services have been supplied to the Authority in a satisfactory manner, and costs are in accordance with estimates.

5.4.1 The SDP Manager issuing an order is responsible for examining, verifying and certifying the accuracy of the related invoice(s) and similarly for any other payment voucher or account. Such certification shall be in manuscript, in a manner or form prescribed by, or on behalf of the Head of Finance. The names of officers authorised to sign such records shall be submitted to the Head of Finance, together with specimen signatures and initials, and this list shall be amended on the occasion of any change therein.

5.4.2 Certified accounts shall either (a) be passed without delay to the Head of Finance who shall make payment after examining them and making such enquiries and receiving such information and explanations as are deemed necessary, or (b) be paid by the Head of Finance after processing by the SDP Manager concerned in accordance with procedures agreed by the Head of Finance. Apart from petty cash payments and other payments of imprest/advances, the normal method of payment of money due from the Authority shall be by electronic funds transfer.

5.4.3 Such floats or imprests as the Head of Finance considers appropriate shall be provided for the purposes of defraying petty cash and other expenses as may be approved by the Head of Finance for payment in cash. Such accounts shall be maintained on an Imprest system in a manner prescribed by the Head of Finance.

5.5 Salaries and Wages

Staff costs are the largest item of expenditure. It is therefore important that payments are accurate, timely, made only when they are due for services to the Authority and that payments accord with individuals conditions of employment. It is also important that all payments are accurately and completely recorded.

- 5.5.1 With the general exception of pensions to former employees, the payment of salaries, wages, compensations and other emoluments to all employees of the Authority shall be made by the Head of Finance.
- 5.5.2 The SDP Manager shall notify the Head of Finance without delay and in the form prescribed by him or her, of all matters affecting the payment of such emoluments and, in particular -
- (a) appointments, resignations, dismissals, suspensions, secondments and transfers;
 - (b) absences from duty for sickness or other reason, apart from approved leave;
 - (c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
 - (d) information necessary to maintain records of service for superannuation, income tax etc.
- 5.5.3 All time records or other pay documents shall be in a form prescribed or approved by the Head of Finance and shall be certified in manuscript by or on behalf of the SDP Manager. Certified documents shall either (a) be passed without delay to the Head of Finance who shall make payment after examining them and making such enquiries and receiving such information and explanations as are deemed necessary, or (b) be paid by the Head of Finance after processing by the SDP Manager concerned in accordance with procedures agreed by the Head of Finance. The names of officers authorised to sign such records shall be submitted by the SDP Manager to the Head of Finance, together with specimen signatures and initials, and this list shall be amended on the occasion of any change therein.

5.6 Travelling and Subsistence Allowances

- 5.6.1 All payments in respect of travelling and subsistence allowances shall be at rates determined from time to time by Aberdeenshire Council and in accordance with the Council's scheme for the payment of travelling and subsistence allowances.
- 5.6.2 All claims for payment of travelling and subsistence allowances by staff shall be duly certified and submitted to the Head of Finance on the approved form, made up to the last day of each month, accompanied by receipts for expenditure incurred and submitted as soon as possible. The names of officers authorised to certify such records shall be sent to the Head of Finance together with specimen signatures and initials and shall be amended on the occasion of any change.
- 5.6.3 The certification by or on behalf of the SDP Manager shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the mileage and expenses incurred are reasonable and agree with the journey description detailed, and the allowances are properly payable by the Council.