

# RENFREWSHIRE VALUATION JOINT BOARD

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**To: Renfrewshire Valuation Joint Board**

**On: 1 June 2018**

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**Report by: Treasurer**

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**\_ Heading: REVISED FINANCIAL REGULATIONS**

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## **1. SUMMARY**

- 1.1 A comprehensive and up to date set of Financial Regulations is a key element of corporate governance, as they provide a framework for good financial management.
- 1.2 This revision of the financial regulations has been undertaken in order to bring the regulations up to date.
- 1.3 The main changes relate to; changes to the designations of those officers appointed as Treasurer and Clerk to the Board. Some other minor changes have been made in order to improve clarity and recognition that previously adopted Financial Codes for banking arrangements, insurance and risk management and write offs have been incorporated into the Joint Boards financial codes.
- 1.4 The updated Financial Regulations are appended to this report as Appendix 1. The updated Financial Codes will be issued to the Assessor and Electoral Registration Officer following approval of the revised regulations.

## **2. RECOMMENDATION**

- 2.1 Members are asked to approve the revised Financial Regulations.
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# **RENFREWSHIRE VALUATION JOINT BOARD FINANCIAL REGULATIONS**

**June 2018**



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## **FINANCIAL REGULATIONS**

### **1. What the Regulations Cover**

- 1.1 Section 95 of the Local Government (Scotland) Act 1973, as applied by Section 106 of that Act, requires the Renfrewshire Valuation Joint Board to have adequate systems and controls in place to ensure the “proper administration of the financial affairs”, including the appointment of an appropriate officer with full responsibility for their governance.
- 1.2 These Financial Regulations of the Renfrewshire Valuation Joint Board (Joint Board) detail the responsibilities of the Joint Board and the Director of Finance and Resources of Renfrewshire Council who has been appointed as the Treasurer. The Treasurer has been appointed as the “proper officer” for administering those affairs in terms of Paragraph 4 of Schedule 2 of the Valuation Joint Boards (Scotland) Order 1995. They also set out the responsibilities of the Assessor and other authorised people.
- 1.3 The Assessor will ensure that all relevant employees of the Joint Board are aware of these Regulations and that they follow them at all times.
- 1.4 All actions affecting the Joint Board finances should only be conducted by properly authorised employees, and the Assessor will establish a clear and effective framework of authorisation for the Joint Board.
- 1.5 The Assessor and other authorised persons will ensure that the Joint Board 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 (Head of Corporate Governance of Renfrewshire Council) before committing to any expenditure. Also the legality of expenditure relating to new service developments, initial contributions to other organisations and responses to emergency situations will be confirmed before the Joint Board commits to any related expenditure.
- 1.6 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 other authorised persons as appropriate to decide what action to take.
- 1.7 The Assessor and other authorised persons will ensure that all spending within revenue estimates conforms to proper accounting standards and will seek clarification of the proper classification if required from the Treasurer.
- 1.8 The Treasurer and Clerk will interpret the regulations and put them into practice in a way which takes account of the obligations contained within the Joint Board’s Standing Orders Relating to Contracts.

## 2. Corporate Governance

- 2.1 Corporate governance is about the structures and processes for decision making and accountability, controls and behaviour throughout the Joint Board. The fundamental principles of corporate governance are:

**Openness:** anyone with an interest in the Joint Board's affairs should have confidence in the decision-making and management processes and the individuals within them. This confidence is gained through openness in the Joint Board's affairs and by providing full, accurate and clear information which leads to effective and timely action and scrutiny.

**Integrity:** there should be honesty, selflessness and objectivity and high standards of conduct in how we manage the Joint Board's funds and affairs. Integrity is dependent on the effectiveness of the control framework and on the personal standards and professionalism of its members and employees.

**Accountability:** there needs to be a clear understanding by everyone involved in the Joint Board'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 Joint Board's affairs including how the Joint Board's funds and performance are managed.

- 2.2 These Financial Regulations supported by Financial Codes and Practice Notes, where appropriate, are an essential part of the corporate governance of the Joint Board.

## 3. Responsibilities under these Financial Regulations

- 3.1 The Joint Board will continuously strive to secure best value for money and economy, efficiency and effectiveness in their use of resources.
- 3.2 The Treasurer will advise the Assessor on the financial implications of the Joint Board's activities.
- 3.3 The Joint Board will consider and approve all Revenue Plans and Estimates and, subject to the delegated authority of officers, no revenue expenditure can be authorised unless:
- it has been provided for in the approved revenue estimates; or
  - it is within the delegated authority of the officer to act in an emergency



- 3.4 The Joint Board will consider and approve the framework for the transfer of resources from reserves and across budget headings. The framework will be as follows:
- the transfer does not alter agreed policy;
  - transfers of £20,000 or less to be approved jointly by the Treasurer and Assessor and reported to the Board at its next meeting;
  - transfers over £20,000 to be approved by the Joint Board.
- 3.5 The Joint Board will consider and approve any alterations to the Financial Regulations.
- 3.6 The Joint Board will monitor the overall financial performance of RVJB in relation to the revenue budgets.
- 3.7 The Joint Board will monitor the revenue budgets for the service provided.
- 3.8 The Treasurer will provide to each meeting of the Joint Board budget monitoring reports along with explanations for any significant variances from budget and the action planned to deal with them.
- 3.9 Financial and advisory services provided by Renfrewshire Council such as treasury management, banking, insurance and internal audit are covered under a Service Level Agreement with Renfrewshire Council.
- 3.10 The Joint Committee will consider and approve the arrangements for authorising all loans and leases.
- 3.11 The Treasurer will report to the Joint Board with details of any significant changes in the Joint Board's tax affairs.
- 3.12 The Joint Board will monitor how debt is managed. It will agree any amounts over £10,000 to be written off (cancelled).
- 3.13 The Joint Committee will consider reports by our external auditors, including reports on the audited annual accounts.
- 3.14 The Joint Board will consider any reports from the Chief Auditor in relation to those audit engagements relating to the functions of the RVJB.

#### **4. The Framework for Financial Administration**

- 4.1. The Financial Regulations detail the responsibilities of the Assessor and the Treasurer. The Financial Regulations may only be amended by the Joint Board.
- 4.2. The Treasurer as the 'proper officer' for the proper administration of the Joint Board's financial affairs will oversee the operation of the Financial Regulations within the Joint Board. The Treasurer will provide to the Joint Board a written framework which governs the Joint Board's 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 financial codes, except where a code will require an amendment to the financial regulations where approval as set out in 5 will be needed. A list of the Joint Board's financial codes is detailed at Annex 1.

To provide a complete framework governing the Joint Board's financial affairs, the principles of Renfrewshire Council's Financial Codes for Treasury Management and Tax Management will be adopted by the Joint Board. **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 Treasurer or other authorised person.

- 4.3. All Financial Codes and Practice notes issued in terms of these Financial Regulations will have the same status and authority as if they were contained within these Financial Regulations.

## **5. Reviewing the Financial regulations**

- 5.1 The Joint Board 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 Board meeting at which the change or withdrawal is approved.

## **6. Legal Advice**

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

## **7. More information**

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

**LIST OF FINANCIAL CODES**

1. FINANCIAL REPORTING
2. REVENUE ESTIMATES
3. CONTROL OF REVENUE EXPENDITURE
4. PETTY CASH
5. INVENTORIES
6. INCOME
7. PAYROLL, TRAVEL AND SUBSISTENCE
8. ORDER FOR WORKS, GOODS AND SERVICES
9. PAYMENT OF ACCOUNTS, CONTRIBUTIONS & SUBSCRIPTIONS
10. INTERNAL AUDIT
11. PROPERTY & SECURITY
12. INTERNAL CONTROL / AUTHORISATION
13. RETENTION OF FINANCIAL DOCUMENTS
14. VAT
15. BANKING ARRANGEMENTS
16. INSURANCE AND RISK MANAGEMENT
17. WRITE OFFS

**RENFREWSIRE COUNCIL ADOPTED CODES**

TREASURY MANAGEMENT

TAX MANAGEMENT