

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 28 AUGUST 2017

REPORT ON: REVIEW OF FINANCIAL REGULATIONS, TENDER PROCEDURES AND PURCHASING AND PROCUREMENT PROCEDURES.

REPORT BY: TREASURER

REPORT NO: TVJB 18-2017

1 PURPOSE OF REPORT

1.1 To present to the Joint Board the updated Financial Regulations, Tender Procedures and Purchasing and Procurement Procedures, which are attached as appendices to this report.

2 RECOMMENDATIONS

2.1 The Joint Board is asked to note the contents of the updated Regulations.

3 FINANCIAL IMPLICATIONS

3.1 None

4 POLICY IMPLICATIONS

4.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

5 BACKGROUND

5.1 The Board's Service Plan requires that the Financial Regulations are reviewed periodically to ensure that these are up to date and in line with principles of good governance.

5.2 The Financial Regulations have been reviewed by the Treasurer, in conjunction with the Assessor, and these are attached as Appendix 1. The main amendments include:

- Updating the legislation references re Accounting Requirements
- Remove the need for an annual review of charges (though 12.1. still applies)
- Updating references to Internal Audit section, including introduction to Fraud Regulations
- Orders and payment by Credit Card to follow recommended procedures.
- Updating required internal control procedures.

5.3 The Tender Procedures and Procurement and Purchasing Procedures have been reviewed by the Corporate Procurement Manager and the Treasurer, and these are attached as Appendix 2 and 3 respectively. The main amendments from the previous regulations include:

- Update European Directive References and Thresholds
- Include option to use Public Contracts Scotland, in line with Dundee City Council requirements, and related effect on contract advertising and administration.

There will be a further review of Joint Board Tender Procedures and Purchasing and Procurement Procedures, to bring the Joint Board into line with Dundee City Council policies, once the review of those procurement policies has been completed.

6 CONSULTATIONS

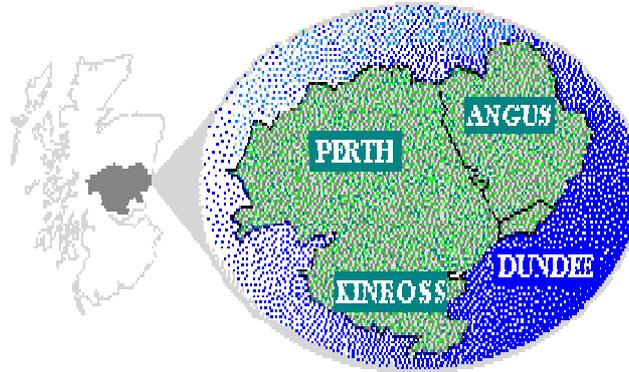
6.1 The Dundee City Council Corporate Procurement Manager, Clerk and Assessor to the Joint Board have been consulted on this report.

7 BACKGROUND PAPERS

7.1 None.

**GREGORY COLGAN
TREASURER**

17 August 2017



TAYSIDE VALUATION JOINT BOARD

FINANCIAL REGULATIONS

July 2017

TAYSIDE VALUATION JOINT BOARD

FINANCIAL REGULATIONS

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FOREWORD

The main objectives of these Financial Regulations are to provide a formal document of the framework within which the Financial Administration of the Board is to be conducted and to outline the areas where financial controls should be operated. Balanced against these objectives, it is recognised that the Financial Regulations must be relevant to the needs of users and provide practical guidance.

The Financial Regulations have been written with the above in mind and are intended to provide information and guidance on the key areas of financial control which will assist both Board members and the Tayside Valuation Joint Board staff and officials in carrying out their duties.

1 INTRODUCTION

- 1.1 The Treasurer, being the proper officer for the purpose of Section 95 of the Local Government (Scotland) Act 1973, shall be responsible to the Joint Board, and subject to any instruction given to that officer by the Joint Board, for the financial affairs of the Joint Board.
- 1.2 The Local Authority Accounts (Scotland) Regulations 2014 require the proper officer to determine the form of and maintain accounting control systems and supporting accounting records and to ensure that the accounts and records are kept up-to-date,. The proper officer must ensure that the accounting control systems are observed and that the accounting records of the local authority are kept up to date.
- 1.3 The Treasurer shall report to the Board with respect to the level of financial resources proposed to be utilised in each financial year by the Board and shall keep it informed as to the detailed administration and application of such resources.
- 1.4 The Treasurer shall be entitled to report upon financial implications of any matter coming before the Board. To allow the Treasurer to fulfill his/her obligation, the Assessor will consult with the Treasurer on all matters with a potential financial implication which are likely to result in a report to the Board.
- 1.5 The Board shall at all times endeavour to secure the best value for the money it spends and encourage the use throughout the Assessor's Services of the best management techniques.
- 1.6 The Board and the Assessor and staff shall observe the Board's Financial Regulations in relation to expenditure, income, assets etc falling within their sphere of responsibility. Each member of the Board and every member of staff of the Assessor's Services shall have a responsibility to bring immediately to the notice of the Treasurer any suspected irregularity in regard to cash, stores, assets, other property or contract of the Board or any other related matter concerning the contravention of the Board's Financial Regulations.
- 1.7 The Financial Regulations may be altered or revoked by the Board, at any ordinary meeting provided such proposals are supported by a majority of the Board present and voting.
- 1.8 Although the Assessor and Treasurer are ultimately responsible for ensuring that their duties laid down in the Financial Regulations are fulfilled, in practice, it is acknowledged that some of the duties will be delegated to be undertaken by members of their respective staff within Dundee City Council and Tayside Valuation Joint Board.
- 1.9 The Treasurer is responsible for ensuring that financial systems exist to ensure proper financial control is exercised. The Treasurer is also responsible for ensuring that financial management systems exist to enable other Tayside Valuation Joint Board officers to make informed financial decisions, and take corrective action to deal with under or overspending, in order to achieve value for money and best value.

2 REVENUE BUDGET

- 2.1 The form of the Revenue Budget shall be determined by the Treasurer in accordance with the general directions of the Board.
- 2.2 The Assessor shall prepare estimates of income and expenditure on revenue accounts covering the specified period and shall provide the Treasurer with all necessary information regarding requirements on a timeous basis.
- 2.3 The Treasurer shall review the Revenue Budget and submit a report to the Board for detailed consideration.

2.4 The final approved Revenue Budget requires to be apportioned between the three constituent Councils on the basis approved by the Board. The agreed apportionment will determine the amount to be requisitioned from the constituent Councils.

2.5 All reports which have revenue expenditure implications must be discussed with the Treasurer prior to submission to the Board. Any observations on such reports by the Treasurer shall be incorporated into the report.

3 CAPITAL BUDGET

3.1 The Treasurer shall submit a report to the Board which will detail the Board's proposed capital programme and how it is to be financed.

3.2 The final approved Capital Budget requires to be split equally between the three constituent Councils, unless otherwise agreed.

4 EXPENDITURE MONITORING

4.1 The primary responsibility for detailed monitoring and control of the Board's revenue and capital expenditure lies with the Assessor.

4.2 Revenue and Capital expenditure shall be restricted to that included in the appropriate Budget, unless proposals for additional expenditure have been approved by the Board.

4.3 The Assessor is authorised, in emergency situations, subject to advising the Convener, consulting with the Treasurer and reporting to the Board as soon as possible thereafter, to take such measures as may be required on any item for which Board approval would normally be required. The projected financial impact of any such decision shall be reported to the Board, along with any possible compensatory budgetary savings.

4.4 The Treasurer has a responsibility to ensure that revenue monitoring by the Assessor is carried out and that relevant financial information is provided in a format and within a timetable suitable to allow such monitoring.

4.5 The Treasurer shall report periodically within an agreed timetable, to the Board on its actual and projected expenditure for each financial year.

5 VIREMENT

5.1 Virement may be employed as a means of funding desirable or essential expenditure through identified budget underspending. It should be noted, however, that no virement proposals should be used to finance a new service or change an existing Board policy without the agreement of the Board.

5.2 Virement proposals should not add to the permanent staffing establishment without the agreement of the Board.

5.3 The Assessor shall consider the implications on future years' budgets when proposing to vire funds to finance purchases which have ongoing revenue implications.

5.4 All virement proposals should be notified to the Treasurer, who will monitor the overall use of virement and its effect on Revenue Budget performance.

6 ACCOUNTING

6.1 Under Section 12 of the Local Government in Scotland Act 2003, the Board has a statutory duty to observe proper accounting practice. All accounting procedures and

records of the Joint Board shall be determined by the Treasurer and all accounts and accounting records of the Board shall be compiled by the Treasurer or under his/her direction.

- 6.2 The following principles should be observed in the allocation of accounting duties:-
- a Duties of providing information regarding sums due to or from the Board 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 duties of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
- 6.3 The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. The Treasurer shall be responsible for the preparation of Annual Accounts in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and proper accounting procedures. Proper accounting procedures refers to the CIPFA/LAA(S)AC Code of Practice on Local Authority Accounting in Great Britain. The Treasurer shall submit to the Board and to the Controller of Audit, not later than the 30 June of each year, a draft Abstract of Accounts for the previous financial year. The Treasurer shall ensure that the audited copy of the abstract, together with the audit report, shall be laid before a meeting of the Board not later than three months after receipt of the audit certificate.

7 INTERNAL AUDIT

- 7.1 Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. The control environment comprises the systems of governance, risk management and internal control. The remit of the service is to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources throughout the Board's activities. The continuous internal audit under the independent control and direction of the Treasurer shall be arranged to carry out an examination of accounting and financial operations of the Board..
- 7.2 The existence of Internal Audit does not diminish the responsibility of management to establish the extent of internal control in the Board's systems and management should not depend on Internal Audit as a substitute for effective controls.
- 7.3 Given that the scope of Internal Audit work covers the Board's entire control environment, Internal Audit is required to have unrestricted access to all records, assets, personnel and premises and the authority to obtain such information and explanations it considers necessary to discharge its responsibilities.
- 7.4 The primary purpose of Internal Audit reporting is to communicate to management and Board Members information that provides an independent and objective opinion on the control environment and risk exposure and to prompt management to implement the agreed actions. The key stages within the reporting cycle are summarised below:-
- All draft Internal Audit reports shall be submitted to the Assessor in order to provide formal management responses to points arising. A copy of the draft report will also be circulated for information to the Treasurer and any other party as deemed appropriate.
 - All finalised Internal Audit reports which incorporate the management response

to the points arising will be issued to the Assessor who has responsibility for ensuring the action plan is implemented within the agreed time frame. A copy of the finalised report will also be issued for information to the Treasurer, the Board's External Auditor and any other relevant party.

- All reports from either the Internal Auditor or External Auditor shall be submitted to the Joint Board for its consideration.

7.5 The Treasurer or any member of his/her staff shall have access at all times to the books, accounts, invoices and other documents and records relating to the income and expenditure of the Board and shall be entitled to call for such explanations and background reports as deemed necessary. This level of access will also be made available to the Board's Internal Audit provider

7.4 The Board's Fraud Guidelines detail the approach and procedures in relation to the investigation of fraudulent activities. A summary of the key points within the Fraud Guidelines are provided below:-

- Managing the risk of fraud, corruption and bribery is the responsibility of management. It is therefore a management responsibility to maintain the internal control system and to ensure that the Board's resources are properly applied in a manner and on the activities intended. This includes the responsibility for the prevention and detection of fraud.
- There is a requirement for management and employees to report all cases of suspected fraud, corruption and bribery to Internal Audit, who has a duty to record, monitor and formally report on such matters to the Board's External Auditor.
- As the nature and complexity of fraudulent activities varies considerably, the approach to an investigation will be decided on a case by case basis. The Assessor, Treasurer and Clerk to the Board and the police may be consulted, as deemed appropriate, as to the approach to be adopted.
- It is the responsibility of the Assessor to ensure that the Treasurer is advised of any irregularities.

7.6 It is the responsibility of Internal Audit to advise the Assessor and the Treasurer of any suspected irregularities and provide updates during the investigation as deemed appropriate.

8 BANKING ARRANGEMENTS AND CONTROL OF CHEQUES

8.1 All arrangements with the Board's bankers shall be made by the Treasurer who shall operate such banking accounts as the Treasurer may consider necessary. The daily management and operation of accounts shall be the responsibility of the Treasurer.

8.2 The Treasurer shall organise the creation and closure of any account.

8.3 The Treasurer shall control the issue of cheques and all cheques on the Board's banking accounts shall be of the facsimile signature of the Treasurer or be signed by the Treasurer or one of his/her nominated deputies.

8.4 The Treasurer shall be responsible for arranging any payments through the Bankers Automated Clearing System (BACS) and shall ensure that proper security control procedures are affected and reviewed.

9 ORDERS FOR WORKS, GOODS AND SERVICES

- 9.1 The Assessor shall be responsible for all orders issued by the Assessor's Services and for ensuring that the cost is allocated to an appropriate budget head and covered within the approved estimates.
- 9.2 Official orders shall be issued for all work, goods or services to be supplied to the Assessor's Services except for supplies of public utility services, for periodical payments such as rent and rates, for petty cash purposes or such other exceptions as the Treasurer may approve.
- 9.3 Official orders shall be in a form approved by the Treasurer and shall be raised only by officers authorised by the Assessor. The number of officers so authorised shall be determined in agreement with the Treasurer. A register of authorised signatories should be maintained by the Assessor.
- 9.4 Where applicable, the procedures for obtaining competitive tenders and Board approvals for all supplies and works as detailed in the Board's Tendering Procedures should be followed at all times.
- 9.5 Guidance issued by the Treasurer under Efficient Government on how Board Officers order and procure goods and services including e-procurement must be adhered to.
- 9.6 Orders and payments by credit card shall be processed in accordance with procedures issued by the Treasurer.

10 PAYMENT OF ACCOUNTS

- 10.1 The Assessor is responsible for ensuring satisfactory systems are in place for the examination, verification and certification of invoices and similarly for any other payment vouchers, documents or accounts arising from sources within his service.
- 10.2 Where possible, the Assessor should arrange for the separation of the authorisation of orders as distinct from goods received notes or any other process which involves the certification of invoices. Variations to these arrangements are subject to the approval of the Treasurer. Each goods received note or electronic version should be approved by the appropriate receiving officer and should be authorised by the appropriate authorised signatory. The authorised signatory shall always be different from the receiving officer.
- 10.3 Duly certified invoices shall be passed for payment regularly and without delay. Payment should not be made on duplicate invoices, statements or photocopy invoices unless it has been certified in writing that the amount in question has not been previously paid.
- 10.4 Before certifying invoices, payment vouchers, goods received notes, documents or accounts the certifying officer shall satisfy himself/herself with regard to:-
 - a the receipt of goods being in accordance with the order.
 - b the correctness of prices, discounts and arithmetic.

- c non-duplication of payment.
 - d expenditure being within the estimates.
 - e allocation to the appropriate head of expenditure.
 - f appropriate entries having been made in inventories, stock records etc as required.
 - g work having been carried out to a satisfactory level.
- 10.5 The payment of all certified invoices etc shall be made by the Assessor, under arrangements approved and controlled by him/her..
- 10.6 Where applicable, the procedures for orders and authorisation of invoice detailed in the Board's Purchasing/Procurement Procedures should be followed at all times.
- 10.7 The Assessor shall, as soon as possible after 31 March, and not later than a date intimated by the Treasurer in each financial year, notify the treasurer of any outstanding expenditure relating to the previous financial year.

11 PAYROLL ADMINISTRATION

- 11.1 The payment of all salaries, wages, compensation and other emoluments to all employees or former employees of the Board shall be made by the Assessor under arrangements approved and controlled by him.
- 11.2 The Assessor shall ensure records are kept of all matters affecting the payment for such emoluments and in particular:-
- a appointments, promotions, resignations, dismissals, suspensions, secondments and transfers.
 - b absences from duty for sickness, holidays or other reasons.
 - c changes in remuneration, other than normal increments and pay awards and agreements of general application.
 - d information necessary to maintain records of service.
- 11.3 All time records or other pay documents shall be in a form prescribed or approved by the Assessor. A record of the names of officers authorised to sign such records should be maintained, together with specimen signatures and shall be amended on the occasion of any change.
- 11.4 The Treasurer will, through the payroll system, provide such management information as he/she or the Assessor decide is necessary for the achievement of best value.

12 INCOME

- 12.1 As and when required, the Assessor shall, in consultation with the Treasurer, prepare schemes of charges to be made for goods supplied or services rendered. The scheme of charges shall be approved by the Board. Charges for goods or services may be varied by the Assessor in consultation with the Treasurer.
- 12.2 It shall be the duty of the Treasurer to make adequate financial and accounting arrangements to ensure the proper recording of all monies due to the Board and for the proper collection, custody, control and banking of all cash in all sections of the Assessor's Services.
- 12.3 Invoices shall be raised at the time of the provision of goods or services or as soon as possible thereafter. Particulars of all charges to be made for work done or services rendered or for goods supplied by the Board and of all amounts due to the Board shall be promptly notified to the Treasurer.

- 12.4 All receipts, forms, books, tickets and other such items used to record financial and related transactions shall be in a form approved by the Assessor and shall be ordered, controlled and issued by him/her or under arrangements approved by him/her. It will be a requirement that all such records, forms, etc. aforementioned shall be retained by the board for a period stipulated by the Treasurer.
- 12.5 All monies received on behalf of the Board shall be deposited promptly with the Assessor or the Board's bankers in accordance with the arrangements made by the Treasurer. No deduction may be made from such money except to the extent that the Assessor may specifically authorise.
- 12.6 Personal cheques shall not be cashed out of money held on behalf of the Board, nor shall personal cheques be substituted for cash collected on behalf of the Board.
- 12.7 All transfers of money from one member of staff to another will be evidenced in the records of the Assessor's Services by the signature of the receiving officer.

13 INSURANCE & RISK MANAGEMENT

- 13.1 The Assessor, in conjunction with the Treasurer, will ensure that the risks faced by the Board are identified and quantified and that effective measures are taken to reduce, eliminate or insure against them.
- 13.2 The Assessor is responsible for ensuring that there is a Risk Management Strategy, Strategic Risk Register and Business Continuity Plan in place which demonstrates the Board's approach to managing strategic risk and that this is reviewed and reported to the Board annually or at other appropriate times e.g. in light of major organisational or legislative changes.
- 13.3 The Assessor, in conjunction with the Treasurer, shall effect insurance cover and negotiate all claims as necessary.
- 13.4 The Assessor is responsible for ensuring that there are adequate systems for the:-
- a prompt notification to the Treasurer of potential liabilities, property or vehicles which require to be insured or affect existing insurance arrangements.
 - b prompt notification in writing to the Treasurer of all incidents of loss, damage or injury which may give rise to a claim by or against the Board.
 - c prompt notification of disposal of assets insured
- 13.5 All relevant officers or employees shall be included under the Board's Fidelity Guarantee Insurance as determined by the Assessor in consultation with the Treasurer.
- 13.6 The Assessor, in conjunction with the Treasurer, shall annually or as necessary review all insurances and report to the Board accordingly.

14 STORES AND INVENTORIES

- 14.1 The safe custody of stores and equipment shall be the responsibility of the Assessor who will be required to make a return of all stocks, stores, furniture, fittings and equipment to the Treasurer at the end of each financial year or as requested.
- 14.2 The Assessor shall be responsible for maintaining an efficient system of stores accounting including stock control. Any alterations to such systems shall be submitted to the Treasurer for approval.
- 14.3 The Assessor is responsible for ensuring that asset inventories are maintained and

updated timeously with additions and disposals.

- 14.4 The Assessor shall ensure that a sample of higher value, portable and desirable assets is physically checked on an annual basis.
- 14.5 The Board's property shall not be removed otherwise than in accordance with the ordinary course of the Board's business or used otherwise than for the Board's purposes except in accordance with specific formal directions issued by the Assessor.
- 14.6 All assets in excess of £1,000 in value to be disposed of by the Board shall be advertised for sale either by the invitation of sale offers or by public auction unless in special circumstances of which the Board shall be the sole judge it is otherwise decided.

15 SECURITY

- 15.1 The Assessor is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash, records etc under his control. The Assessor shall consult with the Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 15.2 Maximum limits for cash holding shall be agreed with the Treasurer and shall not be exceeded without his/her express permission.
- 15.3 Keys to safes and similar containers are the responsibility of the keyholder who shall make suitable arrangements for the security at all times. The loss of any such keys must be reported to the Assessor immediately. For insurance purposes, keys should be removed from the premises overnight.
- 15.4 The Assessor shall be responsible for ensuring proper security and confidentiality on information held in computer installations and in the use to which such information may be put. The Assessor shall make such arrangements as may be required to ensure confidentiality of information under the terms of the Data Protection Act.

16 IMPREST ACCOUNTS

- 16.1 The Assessor shall provide imprest facilities to specific officers as considered appropriate and shall issue guidance notes as to the operation of the imprest system.
- 16.2 Payments from imprest accounts shall only be made for minor items of expenditure and shall be supported by VAT receipts. The maximum limit for any one payment will be as determined by the Assessor.
- 16.3 The Assessor shall ensure adequate arrangements are in place for the security and correct operation of imprest accounts and shall, upon request, provide the Treasurer with a certificate of imprest held.

17 TRAVELLING & SUBSISTENCE ALLOWANCES

- 17.1 The Assessor shall establish arrangements to ensure the proper timeous payments of claims for travelling and subsistence allowances necessarily incurred in the carrying out of duties on behalf of the Board.
- 17.2 All claims for payments of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted to the Assessor, duly certified on an approved form and made up to a specific day of each month. A record of the names of officers authorised to sign such records should be maintained, together with

specimen signatures and shall be amended on the occasion of any change. Completed forms will be submitted to the Assessor in the form prescribed and in accordance with the agreed timetable. Claims submitted late will not be paid unless a legitimate reason is provided.

- 17.3 The certification by or on behalf of the Assessor shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expense properly and necessarily incurred and that the allowances are properly payable by the Board.

18 OFFER OF GIFTS, GRATUITIES AND HOSPITALITY

- 18.1 Members and employees should comply with the provisions of their respective Codes of Conduct when offered gifts, gratuities and hospitality.
- 18.2 Members and employees should only accept gifts or hospitalities where the acceptance of such is at a level and amount which is deemed to be reasonable. In the event that doubt should exist over the appropriateness of any gift, hospitality, fee or commission, they should seek advice from the Assessor.
- 18.3 Significant gifts (which for indicative purposes should be considered to be gifts of a value of more than £50) should be recorded in the register kept for that purpose by the Clerk to the Board.
- 18.4 Excessive hospitality from businesses or organisations (irrespective of whether the Board does or does not do business with them), shall be viewed as unacceptable and leave the employee open to disciplinary action.
- 18.5 No persons employed by the Board shall be entitled to retain any fee, commission or other payment collected or received under colour of his/her office or employment except with the consent of the Assessor. Any employee who receives a fee, commission or other payment from a party who is or may expect to be under contract to the Board for the provision of any works goods or services, shall be liable to summary dismissal.

19 TREASURY MANAGEMENT

- 19.1 The Treasurer shall establish the arrangements for Treasury Management and shall observe the guidance laid down in the CIPFA Treasury Management Code of Practice.

20 TAYSIDE PENSION FUND

- 20.1 Tayside Valuation Joint Board are a scheduled body of the Tayside Pension Fund. All employees are entitled to join and contribute to the Fund which is administered by Dundee City Council.

21 RESERVES AND BALANCES

- 21.1 The Treasurer shall ensure all reserves are operated in accordance with the guidance laid down in the relevant professional guidance on Reserves and Balances. The Treasurer shall also ensure that any specific reserves are operated in accordance with the relevant legislation and for the specific intended purpose.
- 21.2 Any new expenditure proposals that require the use of any of the Board's reserves shall be subject to the prior approval of the Board and shall be clearly identified in the Financial Implications section of the specific Board report.
- 21.3 In the Annual Revenue Budget report that is considered by the Board, the Treasurer

shall include:-

- a note highlighting the estimated opening and closing General Reserve balances for the financial year ahead.
- a note advising as to the adequacy of the General Reserve balances over the budget period(s) under consideration after taking into account the strategic, operational and financial risks facing the Board.
- a note reporting on the annual review of earmarked reserves.

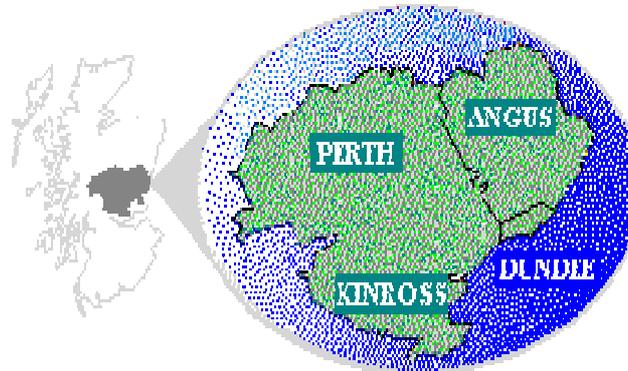
21.4 The Treasurer shall ensure that the position on the General Reserve shall be subject to continuous monitoring by the Treasurer and shall be included in the quarterly Revenue Monitoring reports to the Board.

21.5 The Treasurer shall include a statement showing the movement's in the Board's reserves in the Annual Statement of Accounts.

22 REVISION OF FINANCIAL REGULATIONS

22.1 The foregoing Financial Regulations may be altered or revoked by the Board, if the motion for alteration or revocation is supported by a majority of the Board members present and voting.

22.2 The Financial Regulations should be reviewed and updated regularly to reflect changes in legislation and working practices.



TAYSIDE VALUATION JOINT BOARD

TENDER PROCEDURES

1 COMMENCEMENT

- 1.1 These Tender procedures shall apply and have effect on and from 28 August 2017 and may be altered or revoked by the Board at any ordinary meeting provided such proposals are supported by a majority of the Board present and voting.

2 FINANCIAL REGULATIONS

- 2.1 The financial arrangements shall be governed by the Board's Financial Regulations which may be altered or revoked by the Board at any ordinary meeting provided such proposals are supported by a majority of the Board present and voting.

3 INVITATION OF TENDERS FOR GOODS AND SERVICES

- 3.1 Where any plant, vehicles, tools, equipment, furnishings, materials or commodities in excess of £50,000 in value and which are to be financed from revenue are required by the Board tenders shall be invited unless the Clerk to the Board in any particular case because of special circumstances, decides that would not be justified or appropriate in that particular case. All such offers, by tender or otherwise, shall be reported to the Board for approval.
- 3.2 Where any plant, vehicles, tools, equipment, furnishings, materials or commodities below £50,000 in value and which are to be financed from revenue are required by the Board tenders or Quick Quotes shall be invited unless the Clerk to the Board in any particular case because of special circumstances, decides that would not be justified or appropriate in that particular case. All such offers, by tender or otherwise, need not be submitted to the Board for approval if specific provision has been made in the approved estimates.
- 3.3 Notwithstanding the terms of paragraph 3.2 above, where the items to be purchased are below £10,000 in value, and which are to be financed from Revenue it shall be in order for the tender procedure as outlined herein to be dispensed with provided that the items are not part of a series of purchases the aggregate cost of which, would exceed EU Public Procurement Threshold levels. However, at least three competitive quotations should be obtained, unless otherwise directed by the Clerk to the Board with the most advantageous quotation being accepted by the Assessor concerned.
- 3.3A Where the items to be purchased are below £1,000 in value and are to be financed from Revenue it shall be in order to dispense with the requirement to obtain three competitive quotations as outlined in paragraph 3.3 above.
- 3.3B Notwithstanding the terms of paragraph 3.3A above, where items are part of a series of purchases the aggregate annual cost of which is expected to exceed £1,000, three competitive quotations should be obtained.
- 3.4 Where any project is to be financed from Capital, or Capital Financed from Revenue, tenders shall be invited unless the Clerk to the Board in any particular permissible case because of special circumstances, decides that would not be justified or appropriate in that particular case. All such offers by tender or otherwise, shall be reported to the Board for approval.
- 3.5 Where tenders require to be invited for the purchase or sale of plant, vehicles, tools, equipment, furnishings, materials or commodities, or for the carrying out of any works, or for the procurement of any services shall, with the exception of those obtained in terms of paragraph 3.3 above, the Assessor must advise the Clerk to the Board of his particular requirement in conjunction with the Treasurer; and

- a Ensure that any requirements of the European Union in respect of the insertion of advertisements in their Official Journal for tenders for the procurement of services; the execution of works or the supply of plant, vehicles, tools, equipment, furnishings, materials or commodities are met, as these requirements are set out in:-
- i The Public Services Contracts Regulations 1993 (SI No 3228);
 - ii The Public Works Contracts Regulations 1991 (SI No 2680);
 - iii. The Public Supply Contracts Regulations 1995 (SI 1995/2001);
 - iv. The Public Contracts (Scotland) Regulations 2012
- and any legislation amending, consolidating or substituting.
- b Allocate a title (eg Equipment) and serial number to that contract. The serial number shall comprise the Board's code as appended hereto for the purposes of the tendering procedure, eg TVJB, the year in which the tenders are being invited (or the year the project is initiated) and the particular number allocated to that contract. Thus if, for example, the Board is inviting tenders for the twentieth contract in the year 2017 the serial number of that contract shall be TVJB/17/20.
- c In order to advertise the contract on behalf of the Board, officers must:-(a) register on the National Advertising Portal - Public Contracts Scotland; and(b) advertise the invitation bids or quotations through the Portal. Officers must complete the appropriate training to allow them to invite tenders and enter into contracts on behalf of the Council.
- c Where required, Forward all press advertisements inviting tenders to the Clerk to the Board for insertion in the press and in addition advise her in writing of the details of the contract and the closing date for submission of offers. The latter shall include the appropriate serial number of the contract, the estimated value of the contract, and the source of finance (Revenue Capital, Capital Financed from Current Revenue). If in any instance selected tenderers are invited to tender by letter and there is no public advertisement of the proposed contract the same information shall be forwarded to the Clerk to the Board.
- d All press advertisements inviting tenders must contain the following information "Sealed offers using the official label issued by this Department and endorsed (insert the title of the particular contract) must be lodged with the Clerk to the Board, Tayside Valuation Joint Board, 21 City Square, Dundee DD1 3BY on or before 10.00am on". Failure to use the official label in the manner prescribed may at the discretion of the Board result in the offer not being considered. The label must be affixed to the front of the envelope. In instances where there is no public notice and invitations are sent to selected tenderers then the foregoing information must be included in the invitation.
- e The official labels referred to immediately above shall be issued to all inquirers and selected tenderers with tender documents. Before issuing a label it shall be completed to show the title and serial number of the particular contract, that the contract is issued by the Assessor and the closing date for the lodging of tenders.
- f Contract documents issued shall, where necessary, include reference to the undernoted:-
- i Contract documents issued by and contracts made with the Board in connection with the execution of works to the value of £250,000 or above shall provide that the contractor shall be required to enter into a Bond with

a Bank or Insurance Company for a sum equal to 10% of the contract sum for the due performance of the contract or such other sum as is stipulated by the Treasurer and/or in such circumstances as the Board may decide, a Parent Company guarantee and/or a Minute of Agreement in respect of Window Warranty.

- ii All contract documents issued by, and all contracts made with, the Board in connection with the carrying out of works procurement of supplies or the provision of services shall provide that the Contractor shall be insured with an approved Insurance Company against liability to work people under statute and at common law; and liability to third parties.
The relative policy or policies and premium renewal receipts shall be produced by the Contractor whenever required for inspection by any officer authorised by the Board for that purpose.
- iii All contract documents issued by, and all contracts made with, the Board shall provide that the Contractor shall observe safe working practices whilst working on or within the confines of any Board properties.
- iv All contract documents issued by, and all contracts made with, the Board shall, in appropriate cases, provide that if any provider of services, Contractor or supplier of plant, vehicles, tools, equipment, furnishings, materials or commodities to the Board shall offer or give (either directly or through the medium of any person employed by him or acting on his behalf) any gratuity, bonus, discount, consideration, or bribe of any kind whatsoever to any member of the Board or any officer or employee of the Board, the Board may forthwith terminate the contract and may hold that provider, Contractor or supplier (as the case may be) liable for any loss or damage which the Board may thereby sustain.
- v All contract documents issued by and all contracts made with the Board shall provide that the conditions and obligations thereof to be observed by contractors shall likewise apply to any sub-contractor and the contractors shall be responsible for the observance of such conditions by any sub-contractor.
- vi All contract documents issued by the Board shall include a questionnaire in terms of Section 18(5) of the Local Government Act 1988 to ascertain whether the requirements of the Race Relations Act 1976 are being met by contractors.

3.6 The Assessor shall retain until after completion of each contract a list showing the name and address of each inquirer to whom documents have been issued, allocating to each inquirer an individual number. Before an official label to an inquirer is issued the number allocated to that inquirer shall be inserted at the end of the serial number on the label. Thus for TVJB/17/20 the third inquirer for that contract would have the serial number TVJB/17/20/3 shown on the label issued to him. This is important since the numbered list shall enable the Clerk to the Board to return, unopened, to the appropriate tenderer any tender which is received late.

3.7 Ensure that the closing time for receipt of all tenders to be submitted is fixed at 10.00am on a weekday excluding public holidays.

3.8 All late tenders shall be returned if possible unopened to the tenderer and shall not be reported to the Board or taken into account.

4 OPENING OF TENDERS

- 4.1 Tenders, with the exception of those obtained in terms of paragraph 3.3, shall be opened in the offices of the Clerk to the Board by the appropriate Convener or Vice Convener, or the Clerk to the Board.
- 4.2 The person assisting at the opening of tenders shall ensure that the Tenders Register is completed in the following manner:-
- a The names of all tenderers and the tender amounts shall be listed.
 - b Where the invitation to tender does not require a specific total to be stated, eg "cost plus" projects etc there should be inserted in the "Tender Amount" column the words "to that effect".
 - c Uncompleted tender documents returned using the official tender label must also be listed in the Tenders Register and the words "No offer" inserted under the Tender Amount. These shall not, however, be included in total of completed tenders received.
 - d Where tenderers submit alternative tenders for the same project in one envelope these should be entered separately in the Tenders Register with an explanatory note in the Register.
 - e In cases where tenderers submit offers for two or more different contracts in one envelope using the official tender label for one of the contracts then the Tenders Register must again include an explanatory note.
 - f All tenders must be initialled by the person opening them and the register must be signed by the person opening the tenders and the official receiving them.

5 PREPARATION OF TENDER REPORTS

- 5.1 The Assessor shall prepare a report on tenders received for the purchase of plant, vehicles, tools, equipment, furnishings, materials or commodities, or for the carrying out of any works, or the purchase of any services, with the exception of those obtained in terms of paragraph 3.3 above.
- 5.2 The report shall include the following information:-
- a Whether the expenditure involved has been approved by the Board under a general or specific heading.
 - b A reference to the minute of meeting of the Board approving an increase in the probable costs, if appropriate.
 - c In the case of Capital projects details of any Revenue implications.
 - d Details, if any, of sub-contractors proposed by the contractor.
- 5.3 For reports on contracts below £25,000 to be met from revenue the following procedures shall be followed:-
- a The Assessor shall prepare a report, in terms of paragraphs 5.1 and 5.2 above, for officer approval in respect of all contracts below £25,000 where specific provision has been made in the approved estimates with the exception of those obtained in terms of paragraph 3.3 and shall submit the report together with two copies thereof to the Clerk to the Board and the offer recommended for acceptance. If no specific provision has been made in the estimates the Assessor shall follow the procedures in terms of paragraph 5.4 below.

- b The Clerk to the Board shall thereafter submit the report to the Treasurer for the approval or otherwise.
 - c At the same time as (b) above an acceptance letter shall be prepared by the Clerk to the Board and issued to the Assessor for initialling and return.
 - d The Clerk to the Board shall issue the acceptance letter subject to the approval of the Treasurer and a copy of the final dated acceptance forwarded to the Assessor.
 - e The person who assisted in the opening of the tenders shall place a copy of the acceptance together with the tender report and relative correspondence on a register for inspection purposes.
 - f The person who assisted in the opening of the tenders shall also enter a note in the tender book indicating the successful offer and the date the acceptance was issued. In the case of no offer being accepted, a suitable note shall be entered in the tender book.
 - g The Clerk to the Board shall advise the Treasurer monthly of any reports which are not approved.
- 5.4 For reports on contracts above £25,000 and all contracts to be met from Capital or CFCR the following procedures shall be followed:-
- a The Assessor shall prepare a report, in terms of paragraphs 5.1 and 5.2 above, for Board approval in respect of all contracts above £25,000 and shall submit same to the Clerk to the Board and Treasurer 14 days prior to the Board meeting.
 - b On receipt of the report together with the offer recommended for acceptance the Clerk to the Board shall prepare a draft acceptance letter and issue it to the department assessing the tender documents for initialling and return.
 - c The acceptance letter shall be issued by the Clerk to the Board subject to Board approval as soon as practically possible and a copy of the final dated acceptance forwarded to the Assessor.
 - d The person who assisted in the opening of the tenders shall enter a note in the tender booking showing the date of the Board approval, the successful offer and the date the acceptance was issued. In the case of no offer being accepted a suitable note shall be entered in the tender book.

6 APPOINTMENT OF SUB-CONTRACTORS

- 6.1 The Assessor shall seek the approval of the appropriate Board to the sub-contractor proposed by a Contractor before any contract is entered into with such Contractors and also to any changes proposed in the approved list of sub-contractors.

7 ACCEPTANCE OF OFFERS

- 7.1 Subject to the provisions of paragraph 3.3 all acceptances of offers for the purchase or sale of plant, vehicles, tools, equipment, furnishings, materials or commodities and for the carrying out of any works or the performance of services shall be signed on behalf of the Board by the Clerk to the Board acting as agent for the Assessor.

8 PAYMENTS TO CONTRACTORS

- 8.1 All contracts for the carrying out of any works or the purchase of services on behalf of the Board, or for the supply of any plant, vehicles, tools, equipment, furnishings, materials or commodities to the Board will be entered in a book to be kept by the Principal Officer concerned, and such book shall show the amount of each contract, and any payments made to account.

9 ALTERATIONS TO SPECIFICATIONS

- 9.1 The specification of any works or services under contract and approved by the Board shall not be altered to any substantial extent without the consent of the Board except in cases of urgency or where the nature of the services or works is such as to require deviation from the specification from time to time, but any such instance shall be reported to the Board.

10 DETERMINATION OF CONTRACTS AND PLACING OF NEW CONTRACTS

- 10.1 If for any reason whatsoever the employment of any contractor or supplier of services, or of plant, vehicles, tools, equipment, furnishings, materials or commodities has been terminated, such contractor or supplier shall not receive any new contract from any Board until such new contract has been approved by the Board.
- 10.2 While at all times observing the requirements of the relevant legislation, the Board shall whenever possible and commercially viable, seek to maximise the benefits to the local economy of using local companies and local labour.

11 DISPOSAL OF SURPLUS PLANT, MATERIALS ETC

- 11.1 All surplus plant, vehicles, tools, equipment, furnishings, materials or commodities valued in excess of £5,000 in value to be disposed of by the Assessor shall be advertised for sale either by the invitation of sealed offers or by public auction, unless in special circumstances of which the Board shall be the sole judge, it is otherwise decided. The arrangements for the disposal of surplus plant, vehicles, tools, equipment, furnishings, materials or commodities valued at less than £5,000 shall be delegated to the Assessor in consultation with the Treasurer.

TAYSIDE VALUATION JOINT BOARD

Purchasing/Procurement Procedures



1 INTRODUCTION

The Board's Financial Regulations provide the required information and guidance on financial control to assist staff to carry out their duties. Further guidance is provided in the Board's agreed Tender Procedures. This procedure covers other aspects of the purchasing/procurement cycle, and has been prepared in accordance with the current Financial Regulations.

Accordingly, to acquire any goods, supplies or other services on behalf of the Board the following procedures should be adopted.

2 BUDGET/AUTHORISATION CHECK

Any member of staff requiring goods/supplies/services should check with their Section head whether this would be appropriate. If so, the Section Head should check with the Administration Managers that there is money available in the budget for such items.

Ledger Reports received by the Board will be distributed to the Assessor, Depute Assessor and Assistant Assessors for information. Notwithstanding this authorised signatories as detailed in Section 3 below should check with the Assessor or Administration Managers whether the budget contains sufficient funds before placing orders. This should be confirmed in writing to provide documented proof that authorisation has been granted.

3 ORDERING

If the expenditure is approved an official order should be raised, the only exceptions being supplies of public utilities, periodical payments such as rent and rates, petty cash items or such other exceptions as the Treasurer may approve. For Revenue items in excess of £50,000 in value, tenders shall be invited unless the Clerk to the Board deems otherwise, all such offers, by tender or not, shall go to the Board for approval. For Revenue items in excess of £10,000 but less than £50,000, Quick Quotes or Tenders are invited unless the Clerk to the Board deems otherwise, all such offers need not go to the Board for approval. For Revenue items less than £10,000 at least three competitive quotations should be obtained unless otherwise directed by the Clerk to the Board, with the most advantageous quotation being accepted by the Assessor. Items below £1,000 in value do not require three quotations, unless they are part of a series of purchases the aggregate annual cost of which exceeds £1,000. These procedures are all detailed within the Board's Tender Procedures document.

The cost of the items should be included on the purchase order. The other quotes should be detailed on the copy order.

Most orders are issued from the Administration Section at Headquarters but for routine items such as stationery these may be raised at the Divisional Offices.

Staff authorised to sign official orders and respective authorisation limits are as follows:-

| | | | | |
|--------------------|---|------------------------------------|---|---------------|
| Headquarters | - | Assessor |) | Up to £50,000 |
| | | Administration Managers |) | Up to £10,000 |
| | | Secretary/Administrative Assistant |) | |
| Divisional Offices | - | Assistant Assessors |) | |
| | | Principal Valuer |) | Up to £1,000 |
| | | Administrative Assistants |) | |

A list of current postholders, together with specimen signatures, authorised to sign official orders in accordance with this section is attached as an Appendix.

Where oral orders are unavoidable these should always be confirmed by written order no later than the next working day.

A copy of orders raised by Divisions should be forwarded to the Administration Section at the time the order is issued.

The Administration Section will ensure that all orders raised are entered into the Revenue Monitoring spreadsheet at the time the order is placed. Such orders will be colour coded so that committed expenditure can be readily identified, and included in monitoring reports as appropriate.

3.1 Asset Register

For accounting purposes, the Board maintains an asset register. The purchase of Fixed Assets is financed from the Assessor's Capital Budget. For reference, an explanatory note on assets and asset expenditure is attached as an appendix to this procedure document.

The Board's accountants have agreed that only fixed assets over £500 in value require to be included on the Asset Register. Consequently, only purchases over £500 have to be considered for inclusion on the Register. If such purchases are considered to be fixed assets then they must be financed from capital and added to the Asset Register.

On procurement, orders must be marked to indicate that these are assets to be financed from capital. The Administration Managers will then ensure that the corresponding invoice will be processed appropriately and the item added to the Asset Register.

4 **DELIVERY CHECK**

On receipt of the goods these should be checked against the order and delivery note to ensure the goods are in accordance with the order. If goods are missing, damaged or not as ordered then suppliers should be contacted immediately.

5 **INVOICE AUTHORISATION**

The Administration Managers and the Secretary/Administrative Assistant are authorised to process and verify invoices, through the Civica Financials system.

On receipt of the invoice the member of staff processing the payment must check the invoice against the delivery note and purchase order.

The correctness of prices, discounts and the arithmetic should be checked, before the coding grid stamped on the invoice is initialled as appropriate.

Checks must be made to ensure the allocation to the appropriate budget head of expenditure.

Once invoices are received, the Revenue Monitoring spreadsheet will be amended to transfer figures from committed spend to actual spend.

The processing stage and verification stage must be administered separately, so that both tasks are not carried out by the same authorised staff member. The Civica Financials system is set up to ensure that authorised staff who have raised invoices cannot approve the same invoice. This ensures appropriate segregation from the issues of the order, through receipting to input and authorisation of payment.

In the absence of either the Administration Managers or Secretary/Administrative Assistant, the Administrative Assistant (Dundee Division) is authorised to carry out the verification stage.

Each office should retain delivery notes for confirmation of receipt of goods.

6 ANNUAL CHECK

Purchasing Reports should be reviewed annually, to ensure compliance with approved procedures. During the check identification of possible pooling of purchases should be made to allow the Board to consider potential savings. It may be necessary to market test regular purchase items to achieve best value for the Board.

August 2017