

DUNBARTONSHIRE and ARGYLL and BUTE VALUATION JOINT BOARD

Financial Regulations

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Dunbartonshire and Argyll and Bute Valuation Joint Board
Financial Regulations

A. FINANCIAL ADMINISTRATION

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| 1. Responsibility of the Board | The Board is responsible for directing and monitoring the administration of its financial affairs. |
| 2. Responsibility of Treasurer | The Treasurer shall be responsible, under the general direction of the Board, for the proper administration of the Board's financial affairs. |
| 3. Treasurer as Adviser | As the Board's financial adviser, the Treasurer shall report to the Board with respect to the level of resources proposed to be utilised in each financial year and shall keep the Board informed with respect to its finances and financial performance. |
| 4. Assessor Responsible for Resources | The Assessor is responsible for the security, custody and control of all resources including plant, buildings, materials, cash and stores, etc. appertaining to the Board |
| 5. Assessor to Consult Treasurer | <p>The Assessor, with respect to any matter within his purview which is liable to materially affect the finances of the Board, shall consult with the Treasurer before any provisional or other commitment is incurred or before reporting thereon to the Board.</p> <p>The question of materiality will be the subject of guidance from the Treasurer. Such guidance will form part of these regulations. Matters covered by approved budgets are excluded from this requirement.</p> |
| 6. Best Value | <p>In securing best value, the Board shall maintain an appropriate balance among:</p> <ul style="list-style-type: none">• The statutory duties of the Assessor and Electoral Registration Officer (AERO)• The quality of its performance of its functions;• The cost to the Board of that performance; and• The cost to persons of any service provided by it for them on a wholly or partly rechargeable basis. <p>In maintaining that balance, the Board shall have regard to:</p> <ul style="list-style-type: none">• Efficiency;• Effectiveness;• Economy; and• The need to meet the equal opportunity requirements <p>The Board shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.</p> |

B. ESTIMATES

1. Form of Estimates Subject to the direction of the Board, the detailed form of capital and revenue estimates shall be determined by the Treasurer in accordance with normal professional practice.

2. Preparation of Estimates It shall be the duty of the Treasurer to:
 - Prepare a revised Long-term Finance Strategy for the Board each financial year as part of the Estimates process: and
 - Prepare annual estimates on revenue and capital accounts relating to all service areas and services of the Board.For these purposes the Assessor shall furnish the Treasurer each year, at dates determined by the Treasurer, all necessary information regarding the requirements of the Board.

3. Determination Process After preparation, the estimates shall be submitted to the Board for consideration within guidelines defined by the Board.

After consideration by the Board, the estimates (after adjustment if appropriate), shall be approved. The Board shall thereafter determine the amount to be requisitioned from each constituent Council.

4. Estimates Timetable The timetable for the process of Estimates shall be in accordance with that determined by the Board.

5. Long Term Capital Programme A capital programme shall be prepared annually by the Assessor in conjunction with the Treasurer for submission to the Board for approval. Thereafter the Board shall consider and approve as appropriate.

The Board shall thereafter determine the amount to be requisitioned from each constituent Council.

6. Authority to Proceed with Capital Projects The inclusion of a project in the capital programme does not, of itself, authorise expenditure and the provisions in Standing Orders as to the place of contracts and Board approval shall apply.

7. Updates to Capital Programmes Should any slippage or other unforeseen factor arise such as would materially alter assumptions underlying the programme or the likely spend under any heading, where approval is required prior to the next appropriate Board meeting, then the Assessor, after consultation with and agreement of, the Treasurer and the Board's Convenor, will amend the programme accordingly. Any such amendment will be reported to the next appropriate Board meeting as part of the usual Budgetary Control Reporting regime.

C. CONTROL OF EXPENDITURE

1. Need for Budgetary Provision

No expenditure shall be incurred unless included in the annual estimates or covered by a supplementary estimate approved by the Board after the submission of a report thereon or where funded by additional external grant.
2. Virement

Transfer of approved estimates from one head of expenditure to another will be subject to the approval of the Treasurer and, if considered to affect materially the approved budget, the Board.
3. Overspendings

Where it appears that the amount of any head of estimate of approved expenditure may be significantly exceeded or the amount of any head of approved income may fall significantly short of that estimated, it shall be the duty of the Assessor, after consultation with the Treasurer, to inform the Board of the estimated amount of the deviation, the reasons for the deviation and the options for addressing it.
4. Report on Capital and Revenue Schemes

No capital work outwith the Capital Programme, (unless agreed by the Assessor as relatively minor and of an urgent nature), and no major revenue project (even although included in the annual estimates) shall be commenced unless it has been the subject of a report to the Board by the Assessor. Where expenditure on a capital or revenue scheme is significantly greater than the budget amount, it must be reported to the Board.
5. Need for Board Consent to Expenditure

Except for the procurement of 'print and mail' services for the annual electoral canvass, for which delegated authority is granted to the AERO, no expenditure on the purchase of equipment or services of a value in excess of £50,000 for each proposal will be made without the prior consent of the Board even although provision has been made in the Capital Programme or Annual Revenue Estimates. For this purpose each proposal is defined as including separate but associated pieces of equipment or services. Expenditure up to this limit may be incurred by the Assessor if generally provided for in the Capital Programme or Revenue Estimates.
6. Capital Funding

Subject to 4 and 5 above, no Capital expenditure will be incurred unless the Assessor has ensured it is contained within the Capital Programme, and is covered by the appropriate resources.

7. Responsibility for Budgetary Control
- (i) Treasurer:
It shall be the responsibility of the Treasurer to furnish the Assessor at regular intervals (normally monthly), with a comparative statement showing the estimated revenue income and expenditure of the Board and the payments and receipts actually made to that date.
- (ii) Assessor:
It shall be the responsibility of the Assessor to ensure that the items in the annual estimates are not overspent and that the expenditure of the Board conforms to the requirements of the financial regulations. The Treasurer and Assessor shall submit to the Board, on a regular basis, a statement comparing expenditure and income with budget.

D. CONTROL OF INCOME

1. Determination and Alteration of Charges
The rate of charge for goods or services supplied by the Board shall be determined by the Board and shall not be altered without the approval of the Board, unless an alteration is required arising from a change in legislation (e.g. a fiscal taxation change, such as VAT) or covered the delegate the power/responsibility to the Assessor.
2. Accounting Arrangements
It shall be the duty of the Treasurer to make adequate financial and accounting arrangement to ensure the proper recording of all monies due to the Board, and the proper collection, custody, control and disposal of all cash of the Board.
3. Notification of Income to Treasurer
Particulars of all charges to be made for work done, services rendered or goods supplied by the Board, and of all other amounts due to the Board, shall be promptly notified to the Treasurer in a form that he has approved and all accounts for income to the Board shall be rendered by or under arrangements approved by the Treasurer.
4. Write-Offs
Individual sums due to the Board and exceeding £5,000 (excluding VAT) shall not be written-off except after consideration by the Board. Sums up to £5,000 which are due, may be written off on the authority of the Treasurer, in consultation with the Assessor, if he is satisfied that they cannot reasonably be recovered.
5. Treatment of Monies Collected
All staff handling receipts of cash should be aware of the Board's Money Laundering Procedures. All funds received on behalf of the Board in any service area and in all forms shall be deposited with the Board's bankers in accordance with arrangements made with the Treasurer. No deduction may be made from such funds other than where the Treasurer has specifically authorised.
6. Forms, Books and
All official forms, books and tickets for the disbursement and
DABVJB Financial Regulations – as amended September 2019

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| Tickets | collection of monies shall be in a form approved by the Treasurer. |
| 7. Personal Cheques | Personal cheques shall not be cashed out of the money held on behalf of the Board. |
| 8. Transfers of Money | All transfers of official money from one member of staff to another will be evidenced in the records of the Board by the signature of the receiving officers. |
| 9. Government Grants | The Treasurer will be advised of all relevant information necessary to allow him to make application for all Government grants due to the Board. |

E. BANKING, CONTROL OF CHEQUES, BORROWING, INVESTMENT AND TRUST FUNDS

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| 1. Arrangement with Bankers | All banking arrangements shall be made by the Treasurer through West Dunbartonshire Council as the Lead Authority. |
| 2. Payments into Bank | All monies received shall be paid into the Council's bank account daily or at such other intervals as may be arranged by the Treasurer. |
| 3. Cheque Control | If required, all cheques shall be ordered and controlled on behalf of the Board by the Treasurer, through the Council, and shall bear the facsimile signature of the Treasurer, or be signed by him or other officer authorised by him to do so. |
| 4. Aggregation of Fund Balances | All money (other than miscellaneous balances such as imprest accounts and deposit receipts) in the hands of the Board shall be aggregated for the purposes of treasury management and shall be under the control of the Treasurer. |
| 5. Delegation to Treasurer | All executive decisions on borrowing, investment or financing shall be delegated to the Treasurer, or through him to his staff, who shall be required to act in accordance with CIPFA's 'Code for Treasury Management in Local Authorities' and West Dunbartonshire Council's Treasury Policy Statement. |
| 6. Investments | All investments of money under its control shall be made in the name of the Board or in the names of nominees approved by the Board. |
| 7. Borrowing | All borrowing shall be effected in the name of the Board. |

F. STORES, INVENTORIES AND COSTINGS

1. Costing Systems and Stores Arrangements made by the Assessor for costing systems and stock and stores control shall be subject to the approval of the Treasurer and shall, at least annually, be subject to review by the Assessor.
2. Custody of Stores and Stocktaking The care and custody of stores and equipment shall be the responsibility of the Assessor who will ensure that stocktaking is carried out at regular intervals as agreed with the Treasurer.
3. Write-Offs or Surpluses of Stores No entries will be made, in the records, to write-off stores deficiencies or to bring surpluses into charge unless authorised by the Treasurer who may refer such adjustments to the Board. The Treasurer may issue guidance from time to time on this subject and such guidance will form part of these regulations.
4. Disposal of Surplus Plant, Etc. Subject to prior consultation with the Treasurer, all surplus plant, equipment, furnishings, materials, etc., of a significant value to be disposed of by the Assessor, shall be advertised for sale by sealed offer unless in special circumstances approved by the Board.
5. Inventories Inventories shall be maintained by the Assessor and therein shall be recorded an adequate description of furniture, fittings and equipment, plant and machinery, save that the extent to which the property of the Board shall be so recorded and the form in which the inventories shall be kept is to be determined by the Treasurer.
6. Stock Levels Stocks and stores held shall not be in excess of normal requirements except in special circumstances with the approval of the Board.

G. ORDER BOOKS AND PAYMENT OF ACCOUNTS

1. Official Orders All Supplies, Works and Services supplied or executed for the Board shall be ordered or confirmed by means of an official requisition or order. The form of official requisitions and orders must be through a system as approved by the Treasurer. Such requisitions or orders will be authorised only by officers authorised by the Assessor. Such authorised persons shall be reviewed on a regular basis by the Treasurer.
2. Exemption from Official Orders Official Orders or requisitions will not be required for supplies of public utility services, periodical payments, petty cash purchases, or purchases or point of sale Corporate Purchase Card and Credit Card transactions. The requirements of Section P of these Financial Regulations still

apply.

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| 3. Central Purchasing and Standardisation | Each order or requisition shall conform to any directions of the Board with respect to central purchasing and the standardisation of supplies and materials. |
| 4. Check on Goods and Services | It shall be the duty of the Assessor to ensure that all goods and services received are as ordered in respect of value, quantity and quality. |
| 5. Certification by Assessor | <p>The Assessor shall arrange to certify that all payment vouchers comply with the following:-</p> <ul style="list-style-type: none">• The work, goods or services to which the account relates have been received, carried out, examined and approved and are in accordance with the order.• The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct.• The expenditure has been properly incurred, is within the relevant estimate provision and the provision of standing orders as to limits of expenditure authority have been observed.• Appropriate entries have been made in inventories, stores records or stock books as required; and• The appropriate expenditure code numbers are entered on the document for payment. <p>Having so certified the voucher the Assessor or other authorised officer agreed by the Treasurer shall pass it to the Treasurer for payment.</p> |
| 6. Authorised Signatories | The Treasurer will compile a list of authorised signatories for this purpose and specimen signatures will be required from the persons concerned. The Assessor shall ensure that an appropriate separation of duties exists between officers authorising requisitions and orders and certifying payment of invoices. Certifying payment of invoices will be undertaken by either: an authorised officer via a manual or electronic process; or via electronic invoice matching to the purchase order within a system as approved by the Treasurer. |
| 7. Duplicate Invoices, Etc. | Payment will not be made on duplicate or photocopy invoices unless the Assessor certifies in writing that the amounts have not been previously paid. |
| 8. Corporate Services (Finance) Checks | The Treasurer shall supplement the Board checks on payment of accounts as he considers necessary. |
| 9. Amendments to Payments Vouchers | Any amendments made to payments vouchers shall be made in ink and initialled by the officers making them, stating briefly the reasons where this is not self-evident. |
| 10. Electronic Procurement | The above requirements apply equally to orders and |

payments made through e-procurement system (such as 'We-buy') and through purchasing cards. The Assessor shall ensure that all staff using electronic systems operate in accordance with the relevant authorisation levels and thresholds embedded within the systems.

11. Employee Code of Conduct

All employees must comply with the Board's Code of Conduct and all relevant policies, processes and procedures when purchasing Supplies, Works and Services. These will normally be aligned to the policies, processes and procedures produced by the WDC Corporate Procurement Manager."

H. ACCOUNTING

1. Accounting Procedures and Records

All accounting procedures and records of the Board and its officers shall be determined by the Treasurer and all accounts and accounting records of the Board shall be compiled by the Treasurer or under his direction.

2. Internal Checks

The following principles shall be observed in the allocation of duties:-

- The provision of information regarding sums due to or from the Board and the process of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting, disbursing, or authorising payment of such sums.
- 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. Year End Accounting Returns

The Assessor shall, annually at dates to be specified by the Treasurer, submit to the Treasurer:

- Inventories of stocks, stores and plant in hand as at the year end.
- Inventories of equipment and furnishings in hand as at the appropriate date.
- Details of sums due to or by the Board and remaining unpaid at the year end.
- Any other information necessary to close the Board's accounts at the year end.

4. Year End Final

The Assessor shall take all such steps as reasonable to

Accounts

comply with deadlines defined by the Treasurer for the completion of the year end Final Accounts.

I. INTERNAL AUDIT

1. Continuous Internal Audit

The Internal Audit Service is a statutory 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. A continuous internal audit, under the independent control and direction of the Treasurer, as described in the West Dunbartonshire Council's Internal Audit Charter and in accordance with the Public Sector Internal Audit Standards (PSIAS), shall be undertaken.

2. Authority of Audit

The Treasurer or his authorised representatives shall have authority to:

- Enter at all reasonable times any Board premises or land;
- Have access to all records, documents and correspondence relating to financial and other transactions of the Board;
- Require and receive such explanations as are necessary concerning any matter under examination; and
- Require any employee of the Board to produce cash, stores, or any other Board property under his/her control.

All requests for information, files, etc. made by Internal Audit to officers or Members shall be supplied with within the timescales provided by Internal Audit.

3. Contract Audit

The Treasurer, or his authorised representatives, subject to the consent of the Assessor, shall have authority to engage the services of professional persons from appropriate West Dunbartonshire Council departments to assist in the examination of contracts under review or investigation by Internal Audit, and such assistance shall be given promptly.

4. Business Irregularities No investigatory work is to be undertaken by any officer of the Board without express approval of:
- The Treasurer for allegations relating to financial matters (or in his absence the Council's Audit & Risk Manager);
 - The Assessor for all other allegations

The Assessor will make arrangements to ensure that, where it is suspected or identified that business irregularities have or may have occurred, the matter will be reported immediately to him or the senior officer nominated by him in order that an investigation can be considered. Examples of such irregularities are:

- Misappropriation or embezzlement of monies, materials, etc. placed in an employee's charge;
- Intentional distortion of records for any fraudulent purposes; and
- Misuse of the Boards ICT infrastructure, including information.

Anonymous allegations and all categories identified within the Boards Policy in relation to the Board's Whistleblowing Policy

Such irregularities shall be dealt with in accordance with the Board's Business Irregularity Procedures.

J. CASH IMPRESTS, CREDIT CARDS AND PURCHASE CARDS

1. Provision of Imprest The Treasurer shall provide such imprest accounts, cash floats, credit cards and purchase cards as he/she considers appropriate for the Assessor as may be needed for the purposes of defraying petty cash and other expenses.
2. Bank Accounts for Imprest Holders The Treasurer shall open bank accounts (via West Dunbartonshire Council's Bankers) where it is considered appropriate and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the Council's bankers that an imprest holder's account shall not be overdrawn. Bank accounts will not be opened or amended by any officer other than the Treasurer or his nominated deputies.
3. Exclusion of Income Collected No income received on behalf of the Board may be paid into an imprest account but must be banked or paid to the Board as provided in these regulations. Any bank interest earned on imprest accounts will be remitted separately and immediately to the Treasurer and will not be left in the imprest bank balance.

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| 4. Limit on Expenditure – cash imprest | Payments shall be limited to minor items of expenditure and to such other items as the Treasurer may approve. Payments shall be supported by a receipted voucher to the extent that the Treasurer may require. |
| 5. Limit on Expenditure – Credit Cards and Purchase cards | Individual officers shall have limits placed on the use of credit cards and purchase cards in terms of purpose and value of expenditure, by transaction and in total per month. |
| 6. Statement of Account - imprest | An officer responsible for an imprest account shall, if so requested, give to the Treasurer a certificate as to the state of his imprest account. |
| 7. Accounting for Purchase Card Expenditure | Relevant officers are required to review and approve all expenditure on defined online purchase card system, in line with the published timetable. Payments shall be supported by a receipted voucher (with appropriate VAT information as required) to the extent that the Treasurer may require. |
| 8. Termination as Imprest Holder | Imprest: on leaving the employment of the Board or otherwise ceasing to be entitled to hold an imprest advance, an officer shall make account to the Treasurer for the amount advanced to him/her.
Credit cards and Purchase Cards: on leaving the employment of the Board or otherwise ceasing to be entitled to hold a credit card or purchase card relevant officers shall surrender their credit card or purchase card to their line manager, who will advise the Treasurer of the change. |
| 9. Insurance Cover | The Treasurer will ensure that insurance cover is obtained for all cash imprests and the officers responsible for these. |

K. CLAIMS FOR EXPENSES AND ALLOWANCES

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| 1. Arrangements for Claims | The Strategic Lead - People and Transformation (of West Dunbartonshire Council, as lead authority), in consultation with the Treasurer shall be responsible for making arrangements for the administration and regulation of claims for expenses and allowances to employees of the Board. |
| 2. Submission of Claims | All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses shall be submitted, duly certified, in a form approved by the Strategic Lead - People and Transformation (of West Dunbartonshire Council) to her at regular intervals as agreed. Such payments will not be made out of imprest accounts without the express authority of the Treasurer. All such expenses shall as far as practicable be paid |

through approved payroll processes.

3. Payment of Claims
Payments of claims for expenses and allowances will be made by the Treasurer upon receipt of the required information duly completed. All claims for a financial year are to be submitted within one month of 31st March.
4. Certification of Claims
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 expenditure properly and necessarily incurred and that the allowances are properly payable by the Board.

L. SALARIES, WAGES AND PENSIONS

1. Arrangements for Payments
The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Board shall be made by the Strategic Lead – People and Transformation of West Dunbartonshire Council or under arrangements approved and controlled by her.
2. Application of National Agreements
The Strategic Lead - People and Transformation of West Dunbartonshire Council shall be responsible for the application of all appropriate wages and salary agreements to all employees of the Board.
3. Notification
The Strategic Lead - People and Transformation of West Dunbartonshire Council shall be notified as soon as possible, and in an agreed form, of all matters affecting the payment of such emoluments and in particular:-
 - Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - Absences from duty for sickness or other reasons, apart from approved leave.
 - Changes in remuneration, pay awards and agreements of general application.
 - Information necessary to maintain records of service for superannuation, income tax and national insurance.
4. Appointments
Appointments of all employees shall be made in accordance with the regulations of the Board and the approved establishments, grades and rates of pay.

5. Form and Certification of Records

Time records or other pay documents shall be in a form prescribed or approved by the Strategic Lead - People and Transformation of West Dunbartonshire Council and shall be certified by or on behalf of the Assessor. The names of officers authorised to sign such records shall be sent to the Strategic Lead - People and Transformation of West Dunbartonshire Council by the Assessor together with specimen signatures.

M. SECURITY

1. Responsibility for Security

The Assessor is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash etc., under his control. He shall consult the Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Regular review of such security arrangements shall be carried out by the Assessor.

2. Limits to Cash Holdings

Maximum limits for cash holdings shall be agreed with the Treasurer and shall not be exceeded without his express permission.

3. Safe Keys

Keys to safes and similar receptacles are to be securely held by those responsible for them at all times. The loss of any such keys must be reported immediately to the Treasurer. A register of all such keyholders will be kept by the Board.

4. Computer Security

The Assessor is responsible for maintaining proper security and privacy as regards information held in the computer installations or for their use. The AERO is responsible for all information held by The Board or under his statutory power.

5. Pre-printed/Pre-signed Cheques etc.

The Treasurer shall be responsible for ensuring that secure arrangements exist for pre-printed/pre-signed cheques, stock certificates, etc.

N. INSURANCE

1. Treasurer - Responsible for Insurance

Subject to the general supervision of the Board, the Treasurer will effect and maintain adequate insurance cover for all aspects of the Board's activities. He will also negotiate insurance claims, in consultation with the Assessor where necessary.

2. Notification of Risks

The Assessor will give prompt notification to the Treasurer of all new and increased risks, properties,

or vehicles or of any deletions affecting his department.

3. Notification of Claims The Assessor will immediately notify the Treasurer in writing of any loss, liability or damage or any event likely to lead to a claim.
4. Fidelity Guarantee Insurance All appropriate employees of the Board will be covered by fidelity guarantee insurance.
5. Review of Insurance Cover The Treasurer will periodically review all insurances in consultation with the Assessor as appropriate.

O. CAPITAL AND REVENUE FUNDS AND RESERVES

1. Policy for Administration The Board shall determine the Policy on the administration of these funds – including all reserves held.
2. Board Consideration The Board, at the consideration of the budget, shall take into account the allocation of resources and the Policy on such funds

P. PROCUREMENT - CONTRACTS FOR SUPPLIES, WORKS AND SERVICES (the Procurement Financial Regulations)

1. Application of These Financial Regulations
 1. Except where an explicit decision by a meeting of Board having delegated authority for the matter in question exists; these *Financial Regulations* will apply subject to the undernoted further Caveats.
 2. Where strict application of these *Financial Regulations* would be likely to place the Board in conflict with any applicable law, the *Financial Regulations* will be read with the omission of any offending provision and in the manner which best protects the Board's interests.
 3. For the avoidance of doubt, no failure to comply with these *Financial Regulations* will have any negative bearing on the vires of any action or the validity of any contract following on such action where the action would otherwise be within the Board's powers and the contract would otherwise be valid.
2. Standing Orders
 1. These *Financial Regulations* shall be read in conjunction with and subject to the provisions of Section 16 of the *Standing Orders* relating to *Contracts*. No provision in these *Financial Regulations* will be taken to extend or limit the

vires of the Board to act in a manner which conflicts with the natural meaning of the *Standing Orders*. As provided for in Section P of these *Financial Regulations*, all officers of the Board are required to adhere to their terms.

2. In the event of any conflict between these *Financial Regulations* and *Standing Orders*, the provisions of the *Standing Orders* will have precedence. However, this provision will not have the effect of removing the requirement to comply with the *Financial Regulations* simply on the basis of that permissive provision of the *Standing Orders* does not specify any qualification or condition on its application. Where these *Financial Regulations* contain provisions which qualify or place conditions on any permission granted in any *Standing Order*, officers shall have regard to such permission as so qualified or made conditional.

3. Pre-requisites for Procurement

No procurement activity will commence unless and until each of the following conditions have been met:

1. Sufficient budgetary provision exists (Capital, Revenue or both) in terms of the *Standing Orders* and these *Financial Regulations*;
2. Express Board, or other relevant delegated authority has been granted for the works, supplies or services in accordance with *Standing Orders* or the Board's Scheme of Delegation; and
3. For procurement valued at £50,000 and above, a commodity / contract strategy, in a format approved and signed by the WDC Procurement Manager, has been agreed.

4. Value of Contracts

1. In estimating the value of a contract for the purposes of these *Financial Regulations*, the following direct and indirect costs (total cost of ownership "TCO") must be accounted for:
 - i. The Capital cost of the acquisition of any assets, Revenue lump sums and one off payments e.g. for acquisition of licenses.
 - ii. External training costs for training which requires to be undertaken as a direct result of the works, supplies or services acquired under the contract.

- iii. Support services by or through the supplier on an ongoing basis for the duration of the contract. Where the period of required support is indefinite the TCO should be calculated for a period of 48 months.
 - iv. Additional Third party works, supplies, or services, associated with, or necessary to support the contract and its deliverables.
 - v. Annual recurring maintenance or license costs associated with the contract and its deliverables.
 - vi. The value of any works concession or service concession to the Board. The value of a works concession or service concession contract is calculated by the value of the benefit to the supplier in terms of revenue / turnover rather than the rebate coming back to the Board.
2. If there is any doubt regarding the appropriateness of the inclusion of any cost, the WDC Procurement Manager must be consulted.
 3. In every schedule of rates contract, following discussion with the WDC Procurement Manager, the AERO shall fix an indicative total value for the contract prior to invitations to tender being issued. If there is any doubt about the anticipated duration of the continuing supply, the WDC Procurement Manager shall base the estimate of the value of the contract on a period of 48 months.
5. Above £50K Disaggregation
1. It is not permitted to deliberately divide any procurement exercise or divide into two or more contracts if the intention in doing so is to avoid the application of any financial thresholds in these *Financial Regulations*, *Standing Orders*, Domestic Law or the EU Procurement Directives.
6. Contracts Governed by These *Financial Regulations*
1. In these *Financial Regulations*, the word “contract” will apply to any arrangement for provision of works, supplies or services to the Board including in so far as relevant, any framework agreement or dynamic purchasing system; either solely or along with others, either written or unwritten by which, legally enforceable rights and responsibilities are created for the parties to the arrangement.
 2. Subject as undernoted, the full provisions of the *Financial Regulations* following in this Section P, will only apply to

contracts having a value of £50,000 and above.

3. For the avoidance of doubt, individual arrangements where the primary purpose is the supply of funding, either by or to the Board, e.g. loans, bonds, securities, grants (other than where the Board receives works, supplies or services or derives any benefit from them) or other financial instruments, will not be a contract for the purposes of these *Financial Regulations*, notwithstanding that some strictly limited and ancillary provision of works, supplies or services may also be involved.
4. Further, subject to the provisions of Domestic Legislation and case law, no arrangement will be classed as a contract for the purposes of these *Financial Regulations*, where the Board:
 - i. solely or predominantly sells or acquires land or rights in land;
 - ii. provides works, supplies or services for third parties;
 - iii. performs the functions of or delivers services to another public body in accordance with *The Local Authorities (Goods & Services) Act 1970*;
 - iv. receives works, supplies or services from another body where the Board is permitted to receive them without the requirement to tender in accordance with *The Local Authorities (Goods & Services) Act 1970*;
5. Notwithstanding that an arrangement may not be classed as a contract for the purposes of these *Financial Regulations* under this Section P, the wider *Financial Regulations* will still apply to the arrangement.

7. Specific Exemptions to These *Financial Regulations*

1. Notwithstanding that they may otherwise fail to be viewed as works, supplies or services to the Board, the following shall be exempt from the scope of these *Financial Regulations* any arrangement:
 - i. where the Board seeks or receives legal advice, assistance or an opinion from Junior or Senior Counsel, a Professor of Law, a Solicitor Advocate or in the case of an opinion only, a Law Society of Scotland Accredited Specialist solicitor recognised as having

particular expertise in the subject matter of the opinion;

- ii. where the Board disposes of surplus or scrap materials and equipment previously used by the Board, except where such disposal is, or is part of, a contract for which the Board pays (in cash or kind) a value of £50,000 and above;
- iii. where an independent expert has been nominated a third party or agreed between the parties under a Dispute Resolution Procedure within a contract provided such nomination is compliant with Domestic and EU Law.

8. Application of and Departure from the Requirements of *Financial Regulations*

- 1. These *Financial Regulations* will apply to all contracts for works, supplies and services except in the following circumstances:
 - i. Where a proviso within the *Standing Orders*, or the *Officers Scheme of Delegation* expressly permits or requires the AERO to act in a manner which may not be in accordance with these *Financial Regulations*, but that only to the extent that such express permission or requirement requires, and subject to such subsequent reporting as such provision may require;
 - ii. Where a departure is expressly agreed by a meeting of Board, in advance of such departure in these circumstances, WDC Procurement Manager will be consulted before any report seeking such departure is taken to the meeting of Board;
 - iii. Where in the express and written opinion of i) the Treasurer, or ii) WDC Strategic Lead – Regulatory, the application of the *Financial Regulations* would be such as to impose a financial, reputational or legal penalty upon the Board or may significantly impede the Board in the performance of its statutory duties such that it would be perverse to strictly apply these *Financial Regulations*;
 - iv. Where the strict application of these *Financial Regulations* would place the Board in conflict or mean non-compliance with the provisions of any funding arrangement; and subject to the EU Thresholds not being breached; where such funding, i) makes a substantial contribution to any contract for works,

supplies and services; and ii) there is no opportunity to renegotiate the terms of any such funding within a timescale which permits the drawdown of the funds or the performance of the contract in accordance with its aims;

v. Where the Board is entitled, as a member of a consortium, or is otherwise permitted to utilise a framework agreement, or dynamic purchasing system; which is compliant with Domestic Law and EU Procurement Directives (the rules and procedures of such consortium or framework agreement, or dynamic purchasing system; will, where in conflict with these *Financial Regulations*, have precedence, save insofar as these *Financial Regulations* relate to internal procedures only or insofar as they are a direct translation of any *Standing Order* or aspect of the *Scheme of Delegation*.

2. With the exception of those provided for within the *Standing Orders* and *Scheme of Delegation*; and those determined by Board such provisos will only be exercised after consultation with WDC Procurement Manager and will be reported to the first appropriate Committee where expenditure exceeds or is likely to be valued at £50,000 or higher.

9. Procurement Responsibility for Contracts

1. The AERO shall be responsible for all contracts below £50,000 and will conduct such procurement in accordance with the VJB Procurement Guidance which will be aligned to the *Procurement Guidance for Below £50,000*, issued by WDC Procurement Manager.
Procurement Guidance - under £50,000

2. When there is a framework agreement; or a dynamic purchasing system available, and it is determined between WDC Procurement Manager and the AERO that its use is the most appropriate means of fulfilling the requirement, WDC Procurement Manager shall adhere to the *Financial Regulations*, Regulation P22 - *Framework Agreement and Dynamic Purchasing System Call-offs*.

3. Where a framework agreement or dynamic purchasing system does not exist or is determined not to be the most appropriate means of fulfilling the requirement,

WDC Procurement Manager shall adhere to the following procedures:

- For works contracts between £50,000 to £499,999.99 (exc. VAT) - undertake either (One) a Quick Quote process for a minimum of 10 working days, by inviting five contractors (where possible) from the relevant category of contractors registered on: www.publiccontractsscotland.gov.uk including, where possible, two contractors within the local area to participate or, if considered more appropriate, one of the processes found in Regulations P18 to P22 (below);
- For works contracts valued at £500,000 and above; and for supplies and services contracts valued at £50,000 and above, one of the appropriate procurement processes identified in the *Financial Regulations*, Regulations P15 to P22 is to be applied.

10. Commodity / Contract Strategy and Contract & Supplier Management

1. Where the need is identified through the commodity / contract strategy, WDC Procurement Manager may require that the AERO will ensure that the following provisions will be adhered to which may include:
 - i. Appointing an experienced sponsor;
 - ii. Establishing and maintaining a project team until the contract has been put in place, with the right expertise which will include a project manager, lead officer, contract owner and appropriate representation from the WDC Corporate Procurement Unit; Finance Services; Legal Services and any further officers required;
 - iii. Defining the project stakeholders and communicating with the stakeholders at regular intervals;
 - iv. Defining the initial works, supplies and / or services;
 - v. Developing, reviewing and finalising an options appraisal and / or business case that shall include cost, time, resources and quality analysis;
 - vi. Defining a clear, concise and unambiguous specification / scope;
 - vii. Consistently monitoring the specification / scope to ensure it remains controlled throughout the contract;

- viii. Controlling the relationship between the Board and the successful supplier;
 - ix. Ensuring that the *Contract & Supplier Management Policy* is adhered to.
11. Minimum Contract Provisions
- 1. Except in circumstances where WDC Procurement Manager and Strategic Lead – Regulatory Services agree otherwise, every contract shall be:
 - i. in the name of Dunbartonshire and Argyll & Bute Valuation Joint Board;
 - ii. in probative writing;
 - iii. subject to the Laws of Scotland; and
 - iv. subject to the agreed exclusion or amendment of any such provisions in terms of the *Financial Regulations*, P12 hereof, including all provisions required by the *Standing Orders* or *Financial Regulations*, P11 hereof.
12. Contract Documents
- 1. With the exception of the specification or scope of the contract requirements, the procurement documents in respect of all contracts shall be prepared by WDC Procurement Manager in consultation with the AERO and, in relation to the terms and conditions of the contract, the Strategic Lead - Regulatory.
 - 2. With the exception of framework agreement call-offs and dynamic purchasing system call-offs, the European Single Procurement Document (ESPD) shall be used in all procedures.
 - 3. The WDC Procurement Manager may also, after consultation with the Strategic Lead - Regulatory as aforesaid; make use of procurement documents prepared by the Crown Commercial Service, Scotland Excel or the Scottish Procurement and Commercial Directorate or any other public sector body, amended as appropriate, where permitted by those bodies to do so. It is WDC Procurement Manager's responsibility to ensure that the procurement documents are suitable for the contract.
 - 4. For repeat requirements and contracts which are agreed in advance to fall within particular categories, WDC Procurement Manager may dispense with consultation with the Strategic Lead - Regulatory, subject to their consulting

in the event of any particularly onerous or unusual requirement arising during the course of any procurement; and subject to any agreed terms and conditions being reviewed annually with the Strategic Lead - Regulatory to ensure their continued relevance, accuracy and fitness for purpose.

13. Supplementary Procedures
1. The WDC Procurement Manager may, following consultation with the Board's Management Team and any relevant officers, as determined by the subject matter, issue supplementary procedural notes ("Supplementary Procedures") to be read in conjunction with these *Financial Regulations*; and complied with when a contract for works, supplies and services is being sought. These additional procedures will be notified to the Board Management Team who will ensure their distribution to and compliance by all staff.
14. Lists
1. The Board will not operate a list for the pre-selection of suppliers to tender.
2. A properly constituted framework agreement or dynamic purchasing system, either operated by the Board or a third party, under which the Board is legally entitled to procure, will not be classed as a List for the purposes of these *Financial Regulations*.
3. For the avoidance of doubt, the Board may retain records of recent suppliers' health and safety vetting to ensure that the tendering health and safety processes remain efficient. Such vetting must be approved by WDC Procurement Manager in consultation with the Strategic Lead - Regulatory Services and must not preclude any bidder from submitting more up to date information.
15. Compliance with Domestic Procurement Law and EU Procurement Directives
1. For Supplies and Services Contracts valued at £50,000 and above; and Works Contracts valued at £500,000 and above, where an existing framework agreement or dynamic purchasing system is not being used, WDC Procurement Manager shall include within the Contract Notice, a web link to the Public Contracts Scotland-Tenders portal from where the electronic Invitation to Tender, including the ESPD, can be immediately accessed.
16. Choice of Procurement Procedure
1. Where it is established that the EU Procurement Directives apply to any contract, WDC Procurement Manager will, following consultation with the AERO with responsibility for

the proposed contract, agree the appropriate procedure to be followed in terms of those Directives, which may include use of an existing framework agreement or dynamic purchasing system. Such procedures will be identified as part of the agreed contract strategy. The WDC Procurement Manager shall ensure that the contract is advertised, tendered, evaluated and awarded in compliance with those Directives or the rules of the existing framework agreement or dynamic purchasing system.

17. Advertising and Publicity for Contracts
1. The Board is under a duty to ensure that in relation to each contract it intends to award, a degree of advertising is undertaken which is sufficient to enable open competition and to meet the requirements of the principles of equal treatment, non- discrimination, transparency and proportionality. Contracts that are subject to the EU Procurement Directives must comply with the provisions relating to advertising of contracts in these Directives. For all other supplies and services contracts with an aggregated valued at £50,000 and above; and works contracts with an aggregated valued at £500,000 and above, the following procedures shall apply:
- i. The Board does not require to advertise those contracts where an existing framework agreement call-off; or dynamic purchasing system call-off is to be used;
 - ii. In general such contracts will be advertised on the Public Contracts Scotland portal. In addition WDC Procurement Manager may authorise the advertisement of the contract in any other way such as in trade journals or newspapers;
 - iii. The AERO shall ensure that the Board's own website contains links to the Public Contracts Scotland portal during any relevant procurement process.
18. Restricted Procedure
1. In accordance with the agreed contract strategy, WDC Procurement Manager may approve the use of the Restricted Procedure which shall be conducted in accordance with these *Financial Regulations*. In particular:
- i. The WDC Procurement Manager will ensure that any Contract Notice and procurement documentation contain sufficient information to enable any potential bidder to determine whether they are interested in bidding for the contract; including i) the subject matter of the contract, ii)

its duration, iii) reference to selection criteria, iv) estimated commencement date and where v) appropriate and available, its estimated value. The notice must also specify a date and time by which requests to be selected to tender must be received. This date and time must be no sooner than 10 working days from the date the notice is published and where the spend is likely to exceed the EU Thresholds , no less than those timescales prescribed by the EU Procurement Directives;

- ii. The ESPD in terms agreed between WDC Procurement Manager and the AERO, shall be issued by the WDC Procurement Manager to all potential bidders responding to the notice issued.
- iii. The WDC Procurement Manager together with AERO and other officers with relevant input e.g. Finance and Legal Services; will evaluate the ESPD, strictly in accordance with the established selection criteria.
- iv. No bidder may be invited to tender unless they have successfully complied with the Board's competence, experience, capacity, financial and health and safety checks and have met all other criteria to be invited to tender as set out in the ESPD, issued.
- v. A sufficient number of bidders must be invited to tender to ensure genuine competition, which should not, except with the express agreement of WDC Procurement Manager, be fewer than five. Where fewer than five bidders express an interest, all those bidders meeting the minimum selection criteria, must be invited to tender.
- vi. For works contracts between £500,000 and £1,999,999.99, WDC Procurement Manager shall alert local contractors to ensure they are aware of the opportunity.
- vii. The WDC Procurement Manager will be responsible for issuing the Invitation to Tender.
- viii. All Invitation to Tenders will include the final date and time for receipt of the tenders by the Board. The Invitation to Tenders' must also include the award criteria weightings for the award of the contract and a summary of the evaluation process to be used.
- ix. The WDC Procurement Manager will coordinate and

respond to all tender correspondence, queries and clarifications throughout the tender process; including seeking input as required from the Assessor & ERO and other relevant areas of expertise within the Board.

- x. The WDC Procurement Manager will consider and respond to any requests for extensions to the tender period, having regard to the terms of any request and any input from the procuring service(s).
- xi. The WDC Procurement Manager together with officers of the Board will evaluate the tenders strictly in accordance with the established award criteria.
- xii. In the event of any matter being unclear to those conducting the evaluation, WDC Procurement Manager will arrange for clarification or verification of matters within any tender. In the event of such clarification or verification revealing a matter which may be common to one or more tenders, WDC Procurement Manager may, following verification of such with those bidders as appear appropriate, determine that the impact of any such issue on the evaluation be applied to all those to which the matter applies.
- xiii. On completion of the evaluation of bids and subject to the necessary checks and consents having been obtained, WDC Procurement Manager shall close the competitive stage of the tendering process.
- xiv. If not previously delegated by the Board, the AERO will submit a report to the Board for approval to award the contract.
- xv. Subject to authority to award the contract from the Board, WDC Procurement Manager shall advise all unsuccessful bidders in writing of the outcome of the tender process and may issue the Notice of Intention to Award letter to the most economically advantageous bidder. The Notice of Intention to Award letter shall confirm the Board's intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the tender process. This may include any changes to terms and conditions or commercial terms including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the

contract such that the outcome of the tender process may have been different; will not be permitted.

- xvi. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letters to all bidders, in accordance with the requirements of the EU Procurement Directives.
- xvii. Following conclusion of any outstanding matters with the most economically advantageous bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with *Financial Regulations, Regulation P11 - Minimum Contract Provisions*.
- xviii. The WDC Procurement Manager will ensure that all lawful, appropriate and necessary feedback is delivered to unsuccessful bidders.
- xix. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier(s).

19. Open Procedure

- 1. In accordance with the agreed contract strategy, WDC Procurement Manager may approve the use of the single stage Open Procedure which shall be conducted in accordance with these *Financial Regulations*. In particular:
 - i. The WDC Procurement Manager will ensure that any Contract Notice or procurement documentation will state the selection criteria, award criteria, weightings for the award of the contract, a summary of the evaluation process and must contain sufficient information to enable any potential suppliers to determine whether they are interested in bidding for the contract. This should include the subject matter of the contract, its duration, estimated commencement date and where appropriate its estimated value. The Contract Notice or procurement documentation must also specify a date and time by which tenders must be received. This date and time must be no sooner than 10 working days from the date the notice is published and where the spend is likely to exceed the EU Thresholds, no less than those

timescales prescribed by the EU Procurement Directives.

- ii. The WDC Procurement Manager shall include within the Contract Notice, a web link to the Public Contracts Scotland-Tenders portal from where the electronic Invitation to Tender, including the ESPD, can be immediately accessed or in exceptional circumstances e.g. where a tender is being invited under an existing multi-supplier framework agreement, will advise potential bidders of how procurement documentation including an Invitation to Tender, can be obtained.
- iii. For works contracts between £500,000 and £1,999,999.99, the WDC Procurement Manager shall alert local contractors to ensure they are aware of the opportunity.
- iv. The WDC Procurement Manager together with AERO and other officers with relevant input e.g. Finance and Legal Services; will evaluate the ESPD, strictly in accordance with the established selection criteria.
- v. The WDC Procurement Manager will co-ordinate and respond to all tender correspondence, queries and clarifications throughout the tender process; including seeking input as required from the AERO and other relevant areas of expertise within the Board.
- vi. The WDC Procurement Manager will consider and respond to any requests for extensions to the tender period, having regard to the terms of any request and any input from the procuring service(s).
- vii. The WDC Procurement Manager together with AERO; will evaluate the tenders, strictly in accordance with the established award criteria.
- viii. In the event of any matter being unclear to those conducting the evaluation, WDC Procurement Manager will arrange for clarification or verification of matters within any tender. In the event of such clarification or verification revealing a matter which may be common to one or more tenders, WDC Procurement Manager may, following verification of such with those bidders as appear appropriate, determine that the impact of any such issue on the evaluation be applied to all those to

which the matter applies.

- ix. On completion of the evaluation of bids and subject to the necessary checks and consents having been obtained, WDC Procurement Manager shall close the competitive stage of the tendering process.
- x. If not previously delegated by the Board, the AERO will submit a report to the Board for approval to award the contract
- xi. Subject to authority to award the contract from the Board, or if previously delegated, the Board, WDC Procurement Manager shall advise all unsuccessful bidders in writing of the outcome of the tender process and may issue the Notice of Intention to Award letter to the most economically advantageous bidder. The Notice of Intention to Award letter shall confirm the Board's intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the tender process. This may include any changes to terms and conditions or commercial terms, including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the contract such that the outcome of the tender process may have been different; will not be permitted.
- xii. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letters to all bidders, in accordance with the requirements of the EU Procurement Directives.
- xiii. Following conclusion of any outstanding matters with the most economically advantageous bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with *Financial Regulations, Regulation P11- Minimum Contract Provisions*.
- xiv. The WDC Procurement Manager will ensure that all lawful, appropriate and necessary feedback is delivered to unsuccessful bidders.
- xv. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public

Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier(s).

20. Negotiated Procedure

1. In accordance with the agreed contract strategy, WDC Procurement Manager may approve the use of Negotiated Procedure which shall be conducted in accordance with these *Financial Regulations*. In particular:
 - i. Where the EU Procurement Directives apply to a proposed contract, the Negotiated Procedure may only be used in strict compliance with the requirements of such EU Procurement Directives for the use of the Negotiated Procedure either with or without the publication of a Contract Notice.
 - ii. Where the value or any other aspect of the proposed contract excludes application of the European Procurement Directives , the only grounds on which the Negotiated Procedure (which in this context means direct negotiations with a single supplier without competition or without further competition, with a view to awarding a contract) may be used are:
 - a. When the value of the contract is above the EU Threshold for people based services;
 - b. where the Board is a member of a consortium, or is otherwise permitted to utilise a framework agreement or a dynamic purchasing system, which permits the Negotiated Procedure;
 - c. where supplies or materials are proprietary articles and or services specific to one supplier, or the an individual is recognised as the sole, or principal available expert witness in a judicial or quasi judicial situation; and following due and diligent research no reasonable satisfactory alternative supplies or services have been located;
 - d. where the contract constitutes an extension of an existing contract, provided that the extension is approved by the Board, or where the Board is otherwise contractually bound to proceed with a single supplier. The WDC Procurement Manager will approve the report before the report is taken to the meeting of;

- e. where the contract consists of repairs to or the supply of, parts for existing proprietary plant or machinery so as to preserve warranties or functionality which would otherwise be lost in the event of other parties repairing or supplying such plant or machinery and provided such repair or supply represents Best Value and is legally compliant;
 - f. where following one of the other procedures referred to in these Financial Regulations, there has been no successful conclusion to the Tender exercise;
 - g. where, were the contract otherwise subject to the EU Procurement Directives, such Directives would have permitted Negotiated Procedure; and
 - h. where following consideration of all the factors applying to the contract, WDC Procurement Manager, in consultation with the Strategic Lead - Regulatory and such other officers as they deem appropriate, and with the consent of the AERO, determines that the Negotiated Procedure is manifestly in the interests of the Board and compliant with *Standing Orders* and applicable law.
2. In all such cases where the Negotiated Procedure is being followed, the actual process adopted will ensure fairness and compliance with best practice and a full written record of all contacts, discussions and communications with prospective suppliers shall be kept by WDC Procurement Manager.
 3. Such negotiations will be conducted in a manner that ensures that the Board does not contract on terms that are materially less advantageous than would be the case were another available procedure adopted.
 4. If not previously delegated by Board, the AERO will submit a report to the Board for approval to award the contract.
 5. Subject to authority to award the contract from the Board, WDC Procurement Manager may issue a Notice of Intention to Award letter to the bidder. The Notice of Intention to Award letter shall confirm the Board's intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the

procurement process. This may include any changes to terms and conditions or commercial terms including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the contract will not be permitted.

6. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letter to the bidder, in accordance with the requirements of the EU Procurement Directives.
7. Following conclusion of any outstanding matters with the bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with *Financial Regulations, Regulation P11- Minimum Contract Provisions*.
8. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier.

21. Competitive Procedure with Negotiation, the Competitive Dialogue Procedure & Innovation Partnerships

1. The WDC Procurement Manager may choose to adopt the Competitive Procedure with Negotiation or the Competitive Dialogue Procedure or an Innovation Partnership where, in their view and in consultation with the Strategic Lead – Regulatory, the other procedures referenced herein will not be effective in facilitating the award of a contract. In considering the appropriate grounds and conditions for the use of either the Competitive Procedure with Negotiation or the Competitive Dialogue Procedure or an innovation Partnership, WDC Procurement Manager will consider amongst other matters:
 - i. the available resources within and willingness of the AERO to support such a process;
 - ii. the extent to which dialogue with the market will assist in developing a specification or scope, terms and overall solution best suited to meet the Board's needs;

2. Where WDC Procurement Manager elects to use a Competitive Procedure with Negotiation or a Competitive Dialogue Procedure or an Innovation Partnership for a below EU Threshold contract, the principles for such procedures as set out in the EU Procurement Directives shall be followed insofar as reasonable and practicable.
3. If not previously delegated by the Board, the AERO will submit a report to the Board for approval to award the contract.
4. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager will implement the relevant standstill period, including issue of the relevant standstill letter to the bidder, in accordance with the requirements of the EU Procurement Directives.
5. Following conclusion of any outstanding matters with the bidder and compliance with any relevant standstill period, the AERO may instruct the Strategic Lead - Regulatory to enter into a binding contract in accordance with the *Financial Regulations, Regulation P11- Minimum Contract Provisions*.
6. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier.

22. Framework Agreement, and Dynamic Purchasing System Call-Offs

1. Subject to the *Restricted Procedure*; or; the *Open Procedure*; or; the *Negotiated Procedure*; being followed:
 - i. In accordance with the agreed contract strategy, WDC Procurement Manager may approve a recommendation for a contract being awarded under a framework agreement; or; dynamic purchasing system; without being required to seek further competition amongst the suppliers on the framework agreement or dynamic purchasing system.
 - ii. Where a framework agreement or dynamic purchasing system has been established but it does not lay down all of the terms of a proposed contract including, for example, where a new item can legitimately be added to the framework agreement; or dynamic purchasing system; WDC Procurement Manager may either hold a mini competition procedure under the framework agreement or dynamic purchasing system; in accordance

with the below noted procedure or, if permitted under the framework agreement or dynamic purchasing system, make a direct award:

- a) Every supplier on the framework agreement; or dynamic purchasing system; capable of performing the contract shall be issued with an invitation to take part in the mini competition. All invitations shall be issued at the same time;
- b) The invitations shall specify the closing date and time for submission of tenders under the mini competition procedure. The time limit fixed for the return of tenders shall take into account factors such as the complexity of the subject matter of the contract and the time needed to prepare a tender, but, in any event, shall be not less than 10 working days from the date the invitations are issued;
- c) The WDC Procurement Manager will co-ordinate and respond to all mini competition correspondence, queries and clarifications throughout the mini competition process; including seeking input as required from the AERO and other relevant areas of expertise within the Board;
- d) The WDC Procurement Manager together with the AERO will evaluate the mini competitions responses, strictly in accordance with the established award criteria;
- e) In the event of any matter being unclear to those conducting the evaluation, WDC Procurement Manager will arrange for clarification or verification of matters within any mini competition. In the event of such clarification or verification revealing a matter which may be common to one or more tenders, WDC Procurement Manager may, following verification of such with those mini competition bidders as appear appropriate, determine that the impact of any such issue on the evaluation be applied to all those to which the matter applies;
- f) The WDC Procurement Manager will consider and respond to any requests for extensions to the mini competition period, having regard to the terms of any request and any input from the procuring service(s);

- g) On completion of the evaluation of bids and subject to the necessary checks and consents having been obtained, WDC Procurement Manager shall close the competitive stage of the mini competition process.
- iii. If not previously delegated by the Board, AERO will submit a report to the Board for approval to award the contract.
- iv. Subject to authority to award the contract from the Board as appropriate, having been obtained, WDC Procurement Manager shall advise all unsuccessful mini competition bidders in writing of the outcome of the mini competition process and may issue a Notice of Intention to Award letter to the most economically advantageous mini competition bidder. The Notice of Intention to Award letter shall confirm the Boards intention to formally award the contract subject to agreement of any outstanding matters not conclusively addressed in terms of the mini competition process. This may include any changes to terms and conditions or commercial terms, including price, deemed necessary to best deliver the purpose of the proposed contract. Changes which materially alter aspects of the contract such that the outcome of the mini competition process may have been different; will not be permitted.
- v. Where the contract value exceeds the EU Thresholds, WDC Procurement Manager may implement a voluntary standstill period, including issue of the voluntary standstill letters to all mini competition bidders.
- vi. Following conclusion of any outstanding matters with the most economically advantageous mini competition bidder, the AERO may instruct the Strategic Lead – Regulatory to enter into a binding contract in accordance with *Financial Regulations*, Regulation P11- *Minimum Contract Provisions*.
- vii. The WDC Procurement Manager will ensure that all lawful, appropriate and necessary feedback is delivered to unsuccessful mini competition bidders.
- viii. The WDC Procurement Manager will ensure that a Contract Award Notice is published in the Public Contracts Scotland portal within 30 calendar days of the Letter of Award being posted to the successful supplier.

23. E-procurement
1. E-procurement shall generally be used for contracts let by the Board including mini competitions where permitted under a framework agreement; or a dynamic purchasing system, unless there are valid and substantial reasons for not doing so. In applying e-procurement the following processes and procedures will apply:
 - i. Where e-procurement is to apply, no offer submitted will be considered unless it is received via the Board's approved e-procurement system; in the format requested and prior to the deadline for the receipt of offers as stated by the Board in the procurement documents unless a valid and legally competent reason for not doing so e.g. defect in the system, has been highlighted by a bidder at or prior to the deadline for the receipt of tenders.
 - ii. The WDC Procurement Manager shall ensure that each offer is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders.
 - iii. The WDC Procurement Manager shall ensure that a record is maintained showing the time and date of receipt of all tenders.
 - iv. The WDC Procurement Manager may, in consultation with the AERO, authorise the extension of the deadline for the receipt of tenders in the following circumstances:
 - i) prior to any tender being received by the Board; or
 - ii) where, following tenders being received but before the Board is able to open those tenders due to the functionality of the e-procurement system, a bidder notifies a material error in the documentation issued by the Board or the e-procurement system, or indicates to the Board any credible and reasonable ground it may have to challenge the Board were such an extension not granted. In the circumstances in (ii) above, any bidder who has already submitted a tender shall be given the opportunity to re-submit their tender.
 - v. All tenders shall be opened immediately one after the other during one session. The bidders Technical Envelope in the e-procurement system shall be evaluated firstly. When the bidder's Technical Envelope has been evaluated the Technical Envelope will be closed. The bidders Commercial Envelope will be evaluated next. When the bidder's Commercial

Envelope has been evaluated the Commercial Envelope will be closed. The WDC Procurement Manager shall ensure that a record showing the particulars of each tender received and the date and time when those tenders were opened shall be kept.

24. Electronic Reverse Auctions
1. The WDC Procurement Manager may authorise the carrying out of an electronic reverse auction (e-auction) where they are satisfied that the likely benefit of such will outweigh the costs and that the e-auction is in accordance with the EU Procurement Directives . The following provisions will apply in the event of any e-auction:
 - i. An e-auction may only be carried out where the possibility of the use of an e-auction has been stated in the procurement documents issued to bidders and, where the EU Procurement Directives apply, in the Contract Notice published in the Official Journal of the European Union via the Public Contracts Scotland portal.
 - ii. Before WDC Procurement Manager can authorise an e-auction, they must ensure that a full initial evaluation of tenders has been undertaken in accordance with the award criteria set and with the weighting fixed for them. All bidders who have submitted admissible tenders shall be invited simultaneously by electronic means to submit new prices and/or new values.
 - iii. Throughout each phase of an e-auction WDC Procurement Manager shall instantaneously communicate to all bidders involved, at least sufficient information to enable them to ascertain their relative rankings at any moment. The WDC Procurement Manager may also, at any time, announce the number of participants in that e-auction however at all times, the names of bidders will be kept anonymous.
 2. Any e-auction will be subject to such additional procedural requirements as WDC Procurement Manager in consultation with the Strategic Lead - Regulatory considers necessary.
25. Advanced Payments
1. Advance payments to suppliers (i.e. payments made before equivalent value is received in return) should be exceptional, and should only be considered if a Best Value case can be made for them (e.g. a price discount commensurate with the value of the funds in question) and

if all reasonable steps have been taken to protect public funds.

2. Interim payments are made at a prescribed stage or at intervals during the progress of a project. Interim payments may have an element of prepayment.
3. The EU Procurement Directives which protect the right of all potential suppliers to compete on equal terms must be complied with. It would not be acceptable, for example, to offer advance payments to the successful supplier to secure a further price advantage.

26. Contract Variation

1. Contract variation includes the option to increase the amount of works, supplies or services acquired under the contract, to increase the duration of the contract, as well as the option to increase the value of the contract.
2. Where a contract has been advertised in accordance with the EU Procurement Directives and it becomes apparent to the AERO that the value of the contract as previously reported to the appropriate Board is likely to be exceeded, the AERO shall consult with WDC Procurement Manager for advice on what action requires to be taken.
3. Where a contract has not been advertised under the EU Procurement Directives and the increase in the value of the contract is such that the EU Thresholds is likely to be exceeded, no further orders shall be made under the contract until the AERO has obtained advice from WDC Procurement Manager on what action requires to be taken save where withholding such further orders in the interim would constitute a breach of any contractual provision or legislative requirement.
4. Notwithstanding *Financial Regulations*, 20.1.(ii).(d) – *Negotiated Procedure*, in all cases, where the value of the contract exceeds the EU Thresholds and the estimated net cumulative additional cost is more than the greater of £100,000 or 25% of the approved contract value, the AERO in consultation with WDC Procurement Manager, shall ensure that a report on the matter is submitted to the next meeting of the Board where the original budget allocation was approved.

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| 27. Contract Register | 1. The AERO shall maintain a register of all contracts. For procurement of Supplies, Works or Services valued from £10,000 sufficient details will be collated as will permit the creation of a record of the contract within the Contracts Register. |
| 28. Reports on Procurement Matters | 1. In normal circumstances, no report will be submitted to Board seeking to undertake a procurement or approval to award a contract for works, supplies, or services from £50,000 unless WDC Procurement Manager has first been consulted and their comments noted in the report. |
| 29. Payment Arrangements | 1. All payment arrangements will be fully compliant with Domestic Legislation and will be fully documented in any procurement documentation. |
| 30. Pecuniary Interest of Members or Officers | 1. Where a Member or officer involved in a contract has a pecuniary interest in that contract, he/she must declare that interest and abide by the provisions of the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Councillors' Code of Conduct and any guidance made there-under and the Board's Code of Conduct for Employees. |

Q. COMPLIANCE OF MEMBERS AND OFFICERS

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| 1. Members Code | All Members shall observe and comply with the Councillors' Code of Conduct, issues by Scottish Ministers in terms of the Ethical Standards in Public Life etc. (Scotland) Act 2000 and any further guidance made hereunder. |
| 2. Officers Code | All officers shall observe and comply with the Board's Code of Conduct for Officials. |
| 3. Other Regulations | All members and officers will comply with the Board's Standing Orders in conjunction with these financial regulations. |
| 4. Scheme of Delegation | Officers shall only exercise such functions and powers as are delegated to them by the Board. |

R. OBSERVANCE OF FINANCIAL REGULATIONS

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| 1. Responsibility of Assessor | It shall be the duty of the Assessor to ensure that these Regulations are made known to the appropriate persons within the Board and to ensure that they are adhered to. |
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2. Breach of Regulations

Any breach or non-compliance with these Regulations must, on discovery, be reported immediately to the Treasurer who will discuss the matter with the Assessor in order to determine the proper action to be taken through consideration of the following:

- Code of Conduct for Employees and associated Guidance on Offers of Gifts, Hospitality and Declaring Interests;
- Counter Fraud and Corruption Strategy; and
- Business Irregularity procedures.

S. REVIEW OF FINANCIAL REGULATIONS

1. Review of Financial Regulations

The Treasurer shall review the Financial Regulations as circumstances demand and submit proposals for alterations to the Board for approval.

2. Variation and Revocation

These Regulations may be varied or revoked by the Board in consultation with the Treasurer.