



## Care Inspectorate's Financial Regulations

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Lead Director: Executive Director of Corporate and Customer Services

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**VERSION CONTROL**

<b>VERSION NO.</b>	<b>REVISED BY</b>	<b>DESCRIPTION OF CHANGES</b>	<b>DATE</b>
1.0	Board	First Issued Version	
2.0	Board	<ul style="list-style-type: none"> <li>• Reference to 'Management Statement and Finance Memorandum' replaced with 'NDPB Executive Framework'.</li> <li>• Finance function renamed as 'Finance &amp; Corporate Governance'</li> <li>• Insurance section updated to refer to 'Scottish Public Finance Manual (paragraph 14.1).</li> <li>• Minor grammatical corrections.</li> </ul>	18/12/15
3.0	Head of Finance & Corporate Governance	<ul style="list-style-type: none"> <li>• Post title changes to reflect current organisational structure.</li> <li>• Alternative Expenditure Proposal paragraph (4.3) updated to clarify that requests must relate to non-recurring spend and that proposals need to conclude by 31 March of the relevant financial year.</li> <li>• Procurement non-competitive action paragraph (8.7) amended to show delegated authority levels in the NDPB Executive Framework.</li> <li>• Inclusion of a new "Grants Awarded to the Care Inspectorate" section</li> <li>• Renumbering as a result of the insertion of the new section described above.</li> </ul>	10/11/16
4.0	Head of Finance & Corporate Governance	<ul style="list-style-type: none"> <li>• Team name changes to reflect current organisational structure.</li> <li>• Para 10 title amended from 'Government Procurement Card' to 'Electronic Purchasing Card (GPC)'</li> <li>• Para 6.2 (b) reference to 'disks' replaced with 'memory devices'</li> <li>• Para 18.3 updated to reflect change in delegated authority for travel and subsistence claims exceeding three months.</li> <li>• Para 13.10 amended to reflect the revised scheme of delegation regarding fee waivers.</li> <li>• Renumbering as a result of the above amendments.</li> </ul>	9/11/17

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5.0	Head of Legal Services	<ul style="list-style-type: none"> <li>• Changes to reflect amended Board and Committee structure.</li> <li>• Paragraph 3.3 redrafted to reflect Reservation of Powers and Scheme of Relegation</li> <li>• Paragraphs 4.2, 4.3 and 4.5 redrafted to reflect Reservation of Powers and Scheme of Delegation regarding Board authority in respect of changes to establishment</li> <li>• Deletion of “request” and substitution with “require” in Para 6.2(d).</li> <li>• EU Procurement Threshold updated – Para 8.2</li> <li>• Correction of typographical error in Para 9.2</li> <li>• References to “Executive Team” changed to “Executive Group”</li> <li>• Amendments to revise arrangements for Executive approval of reports</li> </ul>	13/04/18
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## **FINANCIAL REGULATIONS**

### **1. Introduction**

- 1.1 The Chief Executive, as the accountable officer as detailed in the NDPB Executive Framework document, is personally responsible to the Scottish Parliament for properly administering the Care Inspectorate's financial affairs. The Memorandum requires that she/he acts according to its instructions and those laid down within the Scottish Public Finance Manual. In particular she/he must act according to the Memorandum to Accountable Officers of other public bodies.
- 1.2 The Chief Executive will delegate the day to day administration and oversight of these financial regulations to the Executive Director of Corporate and Customer Services who will ensure that there are suitable arrangements in place to protect the propriety and regularity of the Care Inspectorate's finances. The Executive Director of Corporate and Customer Services will report directly to the Chief Executive and keep her/him informed on the operation of these financial regulations. In the absence of the Executive Director of Corporate and Customer Services, the Chief Executive will assume responsibility for all functions delegated to her/him under these regulations.
- 1.3 The Care Inspectorate and all of its officers must observe the Care Inspectorate's financial regulations.
- 1.4 The Executive Director of Corporate and Customer Services will provide a Draft Budget Report to the Board each financial year for its approval.
- 1.5 The Executive Director of Corporate and Customer Services is entitled to report upon the financial implications of any matter coming before the Care Inspectorate or any of its committees and sub committees, and will further report to the Board if necessary in the interests of the Care Inspectorate's financial affairs.
- 1.6 All Board and Committee reports prepared by officers must include a "Resource Implications" section. Any officer who intends to submit a report, which has resource implications to a Care Inspectorate Board, committee or sub-committee meeting must first submit the report to the relevant Executive Director for consideration and agreement. It is good practice for report authors to involve Corporate and Customer Services as early as possible in a development to ensure financial, ICT and Human Resource implications are considered at an early stage. Any observations on the report made by the Executive Director of Corporate and Customer Services or his/her representative must be incorporated in to the author's report. In exceptional circumstances the 7 day period mentioned above may be reduced with the prior agreement of the Executive Director of Corporate and Customer Services.



- 1.7 At all times, the Care Inspectorate will try to secure the best value for the money it spends, making appropriate use of all contract arrangements made and encouraging the use of the best management techniques throughout the organisation.
- 1.8 As the accountable officer, the Chief Executive will receive regular reports from the Executive Director of Corporate and Customer Services on the revenue spending of the Care Inspectorate. This will normally be through budget monitoring reports to EG but the Chief Executive may ask for an update at any time. The Executive Director of Corporate and Customer Services will provide a budget monitoring report detailing any significant under or overspending to each meeting of the Resources Committee and Board.
- 1.9 The Chief Executive is responsible for corporate and financial governance arrangements to ensure that proper financial control is exercised throughout the Care Inspectorate. The Executive Director of Corporate and Customer Services is responsible for ensuring that financial management systems exist to enable Executive Directors and their budget managers to make financial decisions and take corrective action to deal with under or overspending to achieve best value.

## **2. Revenue and capital budgets**

- 2.1 The detailed form of the revenue and/or capital budgets will be determined by the Board taking account of advice received from the Executive Director of Corporate and Customer Services.
- 2.2 Executive Directors are responsible for preparing annual income and expenditure estimates on revenue accounts for their areas of responsibility. They must provide all necessary information regarding their directorate's requirements to the Executive Director of Corporate and Customer Services.
- 2.3 The Executive Director of Corporate and Customer Services will submit the draft Revenue Budget and Capital Plan first to EG and then to The Board to consider any relevant decisions within the context of the Care Inspectorate's strategic objectives. The draft Revenue Budget and Capital Plan will be accompanied by a covering report containing all relevant information so that EG and the Board can consider the proposed budget and approve as appropriate.
- 2.4 For capital budget purposes capital expenditure is defined as expenditure on individual items valued at over £5k and with a life in excess of one year. If in doubt, the Head of Finance and Corporate Governance or the Senior Accountant can provide advice.

## **3. Budget monitoring**

- 3.1 The overall responsibility for control of departmental revenue expenditure lies with each relevant Executive Director. Designated budget managers are responsible for the detailed monitoring and control of income and expenditure

within the sphere of their delegated responsibility.

- 3.2 Expenditure will be restricted to that included in the Revenue Budget or Capital Plan, unless a budget flexibility procedure (see Section 4 below) has been followed or alternatively proposals for additional expenditure have been approved by the Board.
- 3.3 The Chief Executive may approve any expenditure which would otherwise require Board approval where (s)he considers that to be urgent, necessary and expedient to protect or preserve the critical interests of the Care Inspectorate (a certificate of which, given by the Chief Executive or director deputising for the Chief Executive shall be conclusive), provided that such action is reported to the Board at its next meeting following the taking of the action, in terms of paragraph 2.3.9 of the Care Inspectorate's Reservation of Powers and Scheme of Delegation.
- 3.4 The Executive Director of Corporate and Customer Services will provide each budget manager regular statements of receipts and payments under each head of approved estimate and any other relevant information that they need. However, each budget manager is responsible for ensuring that they have all the relevant financial and non-financial information to control the actual expenditure and income against the budget.
- 3.5 Executive Directors are responsible for ensuring that their budget managers carry out budget monitoring in accordance with the requirements and timescales set out by the Executive Director of Corporate and Customer Services.
- 3.6 The Executive Director of Corporate and Customer Services will submit regular budget monitoring reports to the Board which detail the Care Inspectorate's income and expenditure position with sufficient additional information so that the Board can properly monitor the Care Inspectorate's up to date financial position.

#### **4. Budget Flexibility**

- 4.1 Once the Board have approved a budget it is expected that expenditure will be authorised in accordance with the approved budget. However, it is sometimes necessary to change plans or respond to events. Therefore controlled budget flexibility is required. Below are the main budget flexibility procedures.
- 4.2 **Virement** (the transfer of budget between expenditure/income headings or costs centres) may be used as a means of funding desirable or essential expenditure. The maximum value of budget virement is £10,000. The [budget virement policy](#) is available on the intranet. It should be noted that no virement proposal should be used to finance a new service, change an existing Care Inspectorate policy decision or change the permanent establishment of the Care Inspectorate where that will incur costs of more than £200k per annum. All of which need the approval of the Board.

- 4.3 **Alternative Expenditure Proposals (AEP):** The AEP process (available on the intranet) is used for EG to decide on expenditure priorities to react to corporate budget underspends. The AEP process is used where budget flexibility is required for non-recurring expenditure in excess of £10,000 which will be incurred in the current financial year. All AEP proposals are considered by EG. It should be noted that no AEP proposal should be used to finance a new service or change an existing Care Inspectorate policy decision. All of which need the approval of the Board.
- 4.4 **Fee income:** Where actual fee income is to exceed budget then this reflects additional workload requirements and related expenditure may exceed budget by an amount not exceeding the additional income. Correspondingly, if actual income is less than budgeted then expenditure must be adjusted as far as practicable to offset the income shortfall.
- 4.5 Board approval is required for:
- All proposals that will significantly expand or contract an area of activity on an on-going basis (implications beyond the current financial year)
  - All proposals to start a new area of activity or significantly curtail an existing area of activity
  - All proposals that will require changes to existing policy decisions
  - Proposals that require a change to the permanent establishment of the Care Inspectorate where that will incur costs of more than £200k per annum.

## **5. Accounting**

- 5.1 All accounting procedures and records of the Care Inspectorate and its officers will be determined by the Executive Director of Corporate and Customer Services. All Care Inspectorate accounts and accounting records will be compiled by the Executive Director of Corporate and Customer Services or under his/her direction.
- 5.2 Each year, the Executive Director of Corporate and Customer Services will ensure the Care Inspectorate's Annual Report and Accounts are laid before the Scottish Parliament in accordance with statutory requirements.

## **6. Internal audit**

- 6.1 As part of their remit the Audit Committee will ensure that there is appropriate and proportionate internal audit coverage of the Care Inspectorate's accounting and financial operations.
- 6.2 The Executive Director of Corporate and Customer Services or any member of his/her staff or any other person authorised by him for that purpose is authorised to:
- (a) enter all Care Inspectorate offices, establishments or land at any time;
  - (b) have access to all records, computer files, memory devices and other media documents and correspondence relating to any financial and related Care Inspectorate transactions;

- (c) request and receive such explanations as are necessary concerning any matter under examination; and
- (d) require any Care Inspectorate employee to produce cash, stores or any other Care Inspectorate property under his/her control.

6.3 Whenever there is any suspicion of an irregularity concerning cash, payments made, income received, payroll (including claiming expenses), stores, other property of the Care Inspectorate or any suspected irregularity in the functions exercised by the Care Inspectorate, then the Head of Finance and Corporate Governance (designated Fraud Prevention Officer) should be informed in the first instance. If due to the nature of the suspicion it is not appropriate to inform the Head of Finance & Corporate Governance then one of the following should be informed as appropriate; the Chief Executive, the Executive Director of Corporate and Customer Services or the internal auditors (contact details on the intranet). [The Prevention of Fraud Policy and its associated Response Plan](#), the Prevention of Bribery Policy and the Whistleblowing Policy are all relevant for consideration in such circumstances.

6.4 All internal audit reports shall be submitted to EG for consideration and agreement of a management response where required.

6.5 All reports from either the External Auditor or Internal Auditor will be submitted to the Audit Committee for its consideration.

## **7. Banking arrangements and control of cheques**

7.1 All arrangements with the Care Inspectorate's bankers shall be made by the Executive Director of Corporate and Customer Services who will operate such banking accounts as he may consider necessary.

7.2 The Executive Director of Corporate and Customer Services is responsible for ensuring proper arrangements are in place for the safe custody of cash and cheques.

7.3 Cheques on the Care Inspectorate's banking accounts will be signed by any two authorised signatories as approved by the Care Inspectorate as required.

7.4 The Executive Director of Corporate and Customer Services is responsible for arranging any payments through the Bankers Automated Clearing System (BACS) or on-line banking arrangements and ensuring that proper security control procedures are affected and reviewed.

7.5 The Executive Director of Corporate and Customer Services is responsible for ensuring regular and effective bank account reconciliation procedures are followed.

## **8. Procurement**

8.1 [The Care Inspectorate's Procurement Strategy and Policy](#) are intended to be followed for all procurement and purchasing activity. Guidance and

procedural documentation is available for all procurement processes within the procurement area of the Finance & Corporate Governance section on the intranet. All procurement activity must follow the approved procurement procedures and comply with the '[Delegated Authority to Commit & Approve Expenditure](#)' available within the Procurement area of the Finance and Corporate Governance section on the intranet.

- 8.2 The procurement process to be followed is determined by an analysis of value and risk as follows:

	<b>Low Risk</b>	<b>Medium/High Risk</b>
<b>Competitive Process Sourcing Procedure</b>	<b>Value of Spend (exc VAT and for the whole life of the requirement)</b>	<b>Value of Spend (exc VAT and for the whole life of the requirement)</b>
Low Value (1 quote)	£1,000 or less	£1,000 or less
Basic (3 evidenced quotes)	£1,000 to £10,000	£1,000 to £10,000
Quick Quote (min 4 quotes)	£10,000 to £50,000	£10,000 to £25,000
Standard (full tender)	£50,000 to £181,301	£25,000 to £181,301
EU Tender Process (Procurement Team will advise)	£181,302+	£181,302+

- 8.3 Where quotes received exceed the originally estimated value of expenditure and this moves the procurement to a new value threshold, the procurement route for the new value threshold must then be applied. In exceptional circumstances, approval to proceed with the existing process may be granted. Requests for an exception must be submitted to the Finance Procurement Team.
- 8.4 The [Procurement Risk Assessment Tool](#) must be completed in order to identify the relevant route to be followed for any purchases with an aggregate spend of over £25k. This is available on the intranet.
- 8.5 All procurement which is advertised as a full tender on the 'Public Contracts Scotland' advertising portal must have a project and evaluation team whereby, as a minimum, the Lead Officer has undergone procurement training.

- 8.6 Authority to award competitively procured contracts is delegated to officers as noted in the [‘Delegated Authority to Commit & Approve Expenditure’](#) document available on the intranet. This is with the exception of internal audit services where the authority to contract is reserved to the Board as noted in the Reservation of Powers and Scheme of Delegation. No authority to award contracts will be delegated to an officer who has not satisfactorily undertaken the relevant procurement training.
- 8.7 Contracts awarded without competitive advertising need to meet specific criteria as noted in the procurement procedures and require specific approval. Requests for [‘Non Competitive Action’](#) with a value of lower than £30,000 total contract value or £10,000 annually may be approved by the Executive Director of Corporate and Customer Services. Requests for [‘Non Competitive Action’](#) with a value exceeding these thresholds require Sponsor Department approval.
- 8.8 Specific approval is required for the procurement of consultancy services. The definition and approval [requirement for consultancy expenditure](#) is available within the procurement area of the Finance and Corporate Governance section on the intranet.
- 9. Orders for works, goods and services**
- 9.1 Purchase orders must, with a few exceptions noted below, be raised and approved in the financial system. [Guidance and procedural documentation](#) is available within the purchasing and payment area of the Finance and Corporate Governance section on the intranet.
- 9.2 Purchase orders shall be issued for all work, goods or services to be supplied to the Care Inspectorate except for the following:
- the purchase is being made using a Government Purchasing Card,
  - supplies of public utility services,
  - periodic payments such as rent and rates,
  - petty cash purchases,
  - postal charges or
  - other exceptions as the Executive Director of Corporate and Customer Services may approve.
- 9.3 In exceptional cases of urgency, where it is not possible to issue an approved purchase order in the financial system, a manual purchase order number can be requested from the Finance Section. The supplier must be advised to quote this order number on any invoice submitted for payment.
- 9.4 No authority to raise or approve purchase orders will be delegated to any officer who has not satisfactorily undertaken the relevant training.
- 9.5 Each budget manager will be responsible for all orders issued by their department and for ensuring that the cost is allocated to an appropriate budget head and is covered within the approved budgeted expenditure.
- 9.6 Budget managers may delegate financial responsibility to an expenditure

approver subject to the limits noted in the Finance & Corporate Governance Scheme of Delegation in the '[Authority to Commit and Approve Expenditure](#)' document.

- 9.7 The Executive Director of Corporate and Customer Services will maintain a register of authorised signatories. Budget managers must notify any additions and deletions to the Senior Accountant.

## **10. Electronic Purchasing Card (GPC)**

- 10.1 Designated officers have a GPC card in order to purchase low value goods and services. The GPC card has set transaction limits of up to a maximum value of £1,000 per single transaction and £10,000 cumulative value of transactions per month. Applications for, and guidance on the use of GPC cards, are detailed within the GPC card procedure within the Purchasing & Payment area of the Finance and Corporate Governance section of the intranet.

- 10.2 Purchases using the GPC card are restricted as follows:

- a. It cannot be used to withdraw cash.
- b. It must not be used for personal expenditure.
- c. It must not be used to pay for items already invoiced.
- d. Loyalty points cannot be collected

- 10.3 Cardholders are responsible for ensuring the safe, secure storage of their card and card details.

- 10.4 Budget managers are responsible for all purchases from their budget made by GPC card.

## **11. Payment of accounts**

- 11.1 The Care Inspectorate is committed to paying supplier invoices within 10 working days of the invoice(s) being received. Performance against this target is reported in the Annual Report and Accounts each year.

- 11.2 All invoices should be received by the Transactions Team at Compass House as noted on the approved purchase order.

- 11.3 Where possible, arrangements should be made for the separation of the authorisation of purchase orders as distinct from goods received notes. Each goods received note should be signed by the appropriate receiving officer. Where a goods received note is not provided, a manual one should be created using the template provided within the Purchasing & Payment area of the Finance and Corporate Governance section on the intranet.

- 11.4 Where budget managers or expenditure approvers are requested to manually approve an invoice, the officer must make sure that:

- (a) the goods received match the order;
- (b) prices, discounts and arithmetic are correct;
- (c) there is no duplication of payments;
- (d) expenditure is within the approved budget;
- (e) the expenditure is coded to an appropriate cost centre and account code, and is within their delegated financial authority;
- (f) work has been carried out to a satisfactory level.

11.5 The payment of all approved invoices and payments will be made under arrangements approved and controlled by the Executive Director of Corporate and Customer Services. Approved payment methods are as follows:

- (a) Direct BACS Submission i.e. invoices and non payroll expenses
- (b) Indirect BACS Submission i.e. managed payroll service payments
- (c) Cheque
- (d) Direct Payments via Bank Account
- (e) Petty Cash (see section 17)
- (f) GPC card (see section 10)

Internal control arrangements are in place to ensure separation of duties between preparation, approval and processing of payments.

11.6 Payment will not be made on duplicate invoices, statements, or photocopy invoices unless the approving officer certifies in writing that the amount in question has not previously been paid.

## **12. Payroll administration**

12.1 The payment of all salaries, wages, allowances, pensions, compensation and other emoluments to all employees and Board members or former employees and Board members of the Care Inspectorate will be made by the Executive Director of Corporate and Customer Services under arrangements approved and controlled by him/her.

12.2 The Executive Director of Corporate and Customer Services will provide guidance on responsibilities for ensuring proper records are kept of all matters affecting the payment of such emoluments and in particular:

- (a) appointments, promotions, resignations, dismissals, suspensions, secondments and transfers;
- (b) absences from duty for sickness, holidays or other reason;
- (c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
- (d) information necessary to maintain records of service for pension, income tax, national insurance and other areas as required.

12.3 All time records or other pay documents will be in a form prescribed or approved by the Executive Director of Corporate and Customer Services and shall be certified in accordance with guidance issued by the Executive Director of Corporate and Customer Services.



12.4 The Executive Director of Corporate and Customer Services will provide through the payroll system any management information as he/she, the Chief Executive, or any Executive Director decide is necessary to achieve value for money and/or compliance with policy and procedures.

**13. Income**

13.1 The statutory fee rates charged by the Care Inspectorate to care service providers shall be set at rates equal to or below the statutory maximum rates. The rates set will be approved by the Board and shall not be altered without its approval.

13.2 The rate of charge for goods or services supplied by the Care Inspectorate to the public and external organisations will be approved by EG and shall be set with reference to the Fees and Charges section of the Scottish Public Finance Manual.

13.3 It is the Executive Director of Corporate and Customer Services duty to make adequate financial and accounting arrangements to ensure that all monies due to the Care Inspectorate are properly recorded and for the proper collection, custody, control and banking of all cash and cash equivalents in all the Care Inspectorate's departments and locations.

13.4 It is essential that particulars of all charges to be made for services rendered by the Care Inspectorate and of all other amounts due to it shall be promptly notified to the Head of Finance and Corporate Governance in a form approved by him. All accounts due to the Care Inspectorate will be issued by, or under arrangements approved by, the Executive Director of Corporate and Customer Services.

13.5 All financial documents such as receipt forms, receipt books, tickets and other such items will be in a form approved by the Executive Director of Corporate and Customer Services who will be satisfied with the arrangement for the ordering, supply and control by each department. All records, forms and so on must be kept by each department for a period stipulated by the Executive Director of Corporate and Customer Services.

13.6 All monies received on behalf of the Care Inspectorate in any department shall be deposited promptly with the Executive Director of Corporate and Customer Services or the Care Inspectorate's bankers according to the arrangements made by the Executive Director of Corporate and Customer Services. No deduction may be made from such monies. All income must be banked in full.

13.7 Personal cheques shall not be cashed out of money held on behalf of the Care Inspectorate.

13.8 Where one member of staff transfers money to another, the person receiving it will sign for it and the departments concerned will keep a record of this as evidence.

- 13.9 Each Executive Director is responsible for ensuring that all of their departmental income is billed promptly and efficiently. This includes ensuring that the correct new registration fees are charged to prospective service providers and that accurate data is held on the Practice Management System and Regulatory Management System for the billing of continuation of registration fees.
- 13.10 The “Fee Waiver Policy” must be followed should it be considered appropriate to contemplate charging reduced fees or waiving a fee altogether. The Head of Finance and Corporate Governance and the Transactions Manager have authority to approve fee waiver requests. Discounts for combined services are an exception to this as a standing authorisation has been supplied to offer a discount to services that provide two or more services from the same premises. Responsibility for the initial granting and annual review of combined service discounts rests with the Chief Inspectors.

#### **14. Insurance**

- 14.1 The Care Inspectorate is not permitted to take out commercial insurance apart from circumstances meeting the exception criteria as set out in the Scottish Public Finance Manual. It is the Scottish Government’s policy to self-insure. The Sponsor Department has supplied a Certificate of Exemption for Employer’s Liability Insurance. Within this context the Executive Director of Corporate and Customer Services will ensure that necessary insurance cover is in place and negotiate all claims in consultation with other officers as necessary.
- 14.2 Each senior manager must promptly notify the Executive Director of Corporate and Customer Services of any action or event which may give rise to a claim being made by or against the Care Inspectorate. Senior Managers will immediately notify the Executive Director of Corporate and Customer Services in writing of any loss of property and inform the police if appropriate of the circumstances of the loss. The Executive Director of Corporate and Customer Services will be responsible for agreeing a position with the Sponsor Department where losses occur.

#### **15. Inventories**

- 15.1 The Executive Director of Corporate and Customer Services is responsible for ensuring inventory lists of all furniture and fittings, vehicles, plant and equipment is maintained.
- 15.2 The Executive Director of Corporate and Customer Services may approve the write off of losses not exceeding £3,000 which are due to theft, fraud, arson, fire, flood, motor vehicle accidents or damage to vehicles. Losses exceeding £3,000 must be submitted to the Sponsor Department and will be reported to the Board.
- 15.3 All surplus plant, vehicles, tools, equipment, furnishings, materials or commodities to be disposed of by any Care Inspectorate department will be advertised for sale either by the invitation of sale offers or by public auction

unless special circumstances apply. The Executive Director of Corporate and Customer Services alone can decide whether these apply. All offers received must be held on file for audit purposes with the inventory records amended as appropriate.

- 15.4 The Care Inspectorate's property will not be removed unless in the ordinary course of Care Inspectorate business. Its property may only be used for official purposes unless otherwise specifically directed by an Executive Director.

## **16. Security**

- 16.1 Each Executive Director or Senior Manager as appropriate, is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash, records etc. under their control. They shall consult with the Executive Director of Corporate and Customer Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 16.2 Maximum limits for cash holdings shall be agreed with the Executive Director of Corporate and Customer Services and shall not be exceeded without his/her express permission. Specific guidance relating to the administration of petty cash imprests (money advanced) is available on the Care Inspectorate's intranet.
- 16.3 Keys to safes and similar receptacles are the responsibility of the designated keyholder who will make suitable arrangements for their security at all times. The loss of any such keys must be reported to the Executive Director of Corporate and Customer Services immediately. For security purposes, keys should be removed from premises overnight.

## **17. Petty Cash Imprest accounts**

- 17.1 The Executive Director of Corporate and Customer Services shall make appropriate imprest advances and determine accounting periods in connection with the payment of expenses and petty outlays chargeable to the Care Inspectorate.
- 17.2 The Executive Director of Corporate and Customer Services shall issue appropriate instructions to officers to ensure to his/her satisfaction the proper security of cash advanced in this way. He/she will also determine the limit for any one payment from petty cash and this will be specified in the Petty Cash Guidance.
- 17.3 The recipient of any advance of petty cash or imprest shall account for this money to the Executive Director of Corporate and Customer Services when required and shall repay the money on leaving the Care Inspectorate's employment or when required by the Executive Director of Corporate and Customer Services. Detailed guidance on the administration of petty cash and

petty cash imprests is available on the Care Inspectorate's intranet.

## **18. Travelling, subsistence and financial loss allowances**

- 18.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted according to the approved Business Travel and Subsistence Policy, duly certified, in a form approved by the Executive Director of Corporate and Customer Services to him/her at such regular intervals as are agreed. A significant proportion of expenses will be claimed via the payroll/HR system and authorisation will be through the line management arrangements approved and set up on the payroll/HR system. The names of officers authorised to approve expenses incurred outwith the payroll/HR system process shall be sent to the Executive Director of Corporate and Customer Services by each Executive Director together with specimen signatures and shall be amended on the occasion of any change. The number of officers so authorised shall be determined in agreement with the Executive Director of Corporate and Customer Services.
- 18.2 The authorisation by or on behalf of an Executive Director shall be taken to mean that the authorising officer is satisfied that the journeys were properly sanctioned, the expenditure properly and necessarily incurred and that the allowances are properly payable.
- 18.3 Employees claims submitted more than three months after the expenses were incurred will not be paid unless the Head of Finance and Corporate Governance is satisfied with the reasons given for the delay.
- 18.4 Business expenses charged to GPC cards remain subject to the Business Travel and Subsistence Policy. Finance conduct regular compliance reviews.
- 18.5 Whenever possible, travel and accommodation should be arranged by Care Inspectorate administrative staff. This avoids the need for the reimbursement of expenses.

## **19. Expenditure on gifts, hospitality and sponsorship**

- 19.1 The Chief Executive, Executive Directors and budget managers may provide hospitality within their delegated budget allowance. Hospitality is appropriate when members and/or officers of the Care Inspectorate are meeting with members or officers of other public bodies, Members of Parliament, firms, consultants or others who are assisting or co-operating with the Care Inspectorate in carrying out its functions. A record of all hospitality granted shall be kept, and shall be open to inspection by any member of the Care Inspectorate.
- 19.2 Where there is a proposal to provide a gift, this must be submitted in writing to the Chief Executive who will consider and, if appropriate, approve. The maximum value for any gift cannot exceed £200 in accordance with the sum laid down in the NDPB Executive Framework.

- 19.3 Payments made to sponsor individuals, groups or events will be subject to the Care Inspectorate Sponsorship Policy and will not exceed £200 in value.

## **20. Registering and Declaring Interests**

- 20.1 Board members and officers must not allow any business or personal interest to influence the decisions they make in relation to work or use their position to further their own interests or the interest of others who do not have a right to benefit under Care Inspectorate policies.
- 20.2 Full details of registering and declaring interests are contained within the Board Members Code of Conduct and for officers; the Code of Conduct Policy.
- 20.3 A register of Board members interests will be maintained and reviewed at least annually.
- 20.4 Where there is any doubt about whether an interest should be registered or declared then advice should be sought from the Chair, Chief Executive, Executive Director of Corporate and Customer Services or the Head of Finance and Corporate Governance as appropriate.

## **21. Acceptance of Gifts, Hospitality and Services**

- 21.1 Generally, no employee should accept gifts, gratuities etc from any client or stakeholder other than a token item.
- 21.2 Any token item which is accepted and has an estimated value of more than £20 should be registered, using the appropriate form.
- 21.3 Full details of the acceptance of gifts, hospitality and services are contained in the Organisational Development section of the intranet within the Code of Conduct area.

## **22. Grants Awarded to the Care Inspectorate**

- 22.1 All bids for grant funding must be approved by the Executive Group before being submitted to the grant provider.
- 22.2 Grants from Scottish Government other than grant in aid, must be referred to the Sponsor Department in advance of being agreed, in accordance with the Scottish Public Finance Manual.
- 22.3 Grants awarded to the Care Inspectorate that exceed £100k in value must be the subject of a report to the Board. This is to provide the Board with information on the nature of the grant and its fit with the Care Inspectorate's strategic objectives. This report must set out the conditions of the grant award, intended outcome, amount awarded, period of funding, key milestones and any significant risks to the Care Inspectorate.

The Board will also receive a report at the conclusion of the grant funded work that provides an assessment of actual against intended outcomes and which confirms funds received and actual expenditure.

**23. Approval and Revision of Financial Regulations by the Care Inspectorate**

- 23.1 The Financial Regulations will be reviewed at least annually by the Board and at any time if the circumstances indicate this would be appropriate. The Board must approve any amendments to the Financial Regulations.