



Care Inspectorate's Financial Regulations

Publication code: FIN-0325-137

Lead Director: Executive Director of Corporate Services

Presented to the Finance and Resources Committee – 30 January 2025

Approved by the Finance and Resources Committee – 30 January 2025

VERSION CONTROL

VERSION NO.	REVISED BY	DESCRIPTION OF CHANGES	DATE
1.0	Board	First Issued Version	30/03/23
2.0	Head of Finance and Corporate Governance	<ul style="list-style-type: none"> • Amendments to reflect structural changes. • Para 6.4 amended to note that Executive Directors are responsible for consideration and agreement of management responses to internal audit findings. • Para 11.7 updated to clarify the delegated authority to approve special payments. • Para 19.2 amended to reflect the change in delegated authority to approve gifts up the value of £200. • Para 23.3 amended to provide clarity of the delegated authority to write off losses and debt deemed to be irrecoverable. • Minor grammatical errors. 	30/01/24
3.0	Head of Finance and Corporate Governance	<ul style="list-style-type: none"> • Amendment to reflect revised model of operation. • Revisions for the establishment of the Finance and Resources Committee • Para 3 updated to note that Executive Team and Strategic Management Group approval of alternative expenditure proposals. • Para 13.10 updated to include reference to the Debt Management Policy approved March 2024. • Section 20 on the receipt of gifts and hospitality has been revised in line with government guidance. • Other minor grammatical changes 	17/01/25

Financial Regulations

INDEX

Item	Description	Pages
1	Introduction	7
1.1	Chief Executive as Accountable Officer	7
1.2	Executive Director of Corporate Services as Adviser	7
1.3	Obligation to observe Financial Regulations	7
1.4	Financial reporting	7
1.5	Financial matters	7
1.6	Reports with financial implications	7
1.7	Value for money	7
1.8	Reports on spending	8
1.9	Financial systems	8
2.	Revenue & Capital Budgets	8
2.1	Form of Revenue and Capital Budgets	8
2.2	Preparation of Revenue Budget	8
2.3	Consideration of Revenue Budget and Capital Plan by Board	8
2.4	Definition of capital expenditure	8
3.	Budget monitoring	8
3.1	Budget responsibility	8
3.2	Additional expenditure	8
3.3	Emergency expenditure	9
3.4	Financial information	9
3.5	Executive Directors responsibility	9
3.6	Budget reports	9
4.	Budget Flexibility	9
4.1	Controlled budget flexibility	9
4.2	Virement	9
4.3	Alternative Expenditure Proposals	9
4.4	Fee Income	10
4.5	Flexibility requiring Board approval	10
5.	Accounting	10
5.1	Accounting procedures and records	10
5.2	Annual Report & Accounts	10
6.	Internal audit	10
6.1	Audit and Risk Committee	10
6.2	Authority of Executive Director of Corporate Services	10
6.3	Procedures in respect of irregularities	11
6.4	Reports to Senior Management Group (SMG)	11
6.5	Reports to Audit and Risk Committee	11

7.	Banking arrangements and control of cheques	11
7.1	Banking arrangements	11
7.2	Control of cash and cheques	11
7.3	Authorised signatories	11
7.4	Bankers Automated Clearing Systems (BACS)	11
7.5	Bank Reconciliation	11
8.	Procurement	11
8.1	Procurement Strategy and Policy	11
8.2	Procurement thresholds	11
8.3	Exceeding original estimate	12
8.4	Training requirements for standard process	12
8.5	Delegated authority	12
8.6	Non-competitive action	13
8.7	Consultancy	13
9.	Orders for works, goods and services	13
9.1	Purchase order requirements	13
9.2	Purchase order exceptions	13
9.3	Emergency procedures	13
9.4	Delegation requirement	13
9.5	Responsibility for orders	13
9.6	Expenditure approver delegation	13
9.7	Authorised signatories	13
10.	Electronic Purchasing Cards (GPC)	14
10.1	Designated officers	14
10.2	GPC purchase restrictions	14
10.3	Cardholder responsibility	14
10.4	Budget Manager responsibility	14
11.	Payment of accounts	14
11.1	Payment performance target	14
11.2	Invoice address	14
11.3	Goods received notes	14
11.4	Manual invoice approval	14
11.5	Payments	15
11.6	Duplicate invoices	15
11.7	Compensation payments	15
11.8	Ex gratia payments	15
12.	Payroll administration	15
12.1	Payment of salaries and wages	15
12.2	Certification procedures	15
12.3	Form of pay documents	15
12.4	Value for money and compliance	16
13.	Income	16
13.1	Statutory fee rates	16
13.2	Charges for goods or services	16
13.3	Monies due to the Care Inspectorate	16
13.4	Arrangements for rendering accounts	16

13.5	Receipt forms, books, tickets etc.	16
13.6	Arrangements for depositing monies	16
13.7	Personal cheques	16
13.8	Evidence of transfers of monies	16
13.9	Departmental income	16
13.10	Fee Waivers	17
14.	Insurance	17
14.1	Executive Director of Corporate Services responsible for insurances	17
14.2	Notification to Executive Director of Corporate Services of any loss	17
15.	Inventories	17
15.1	Care and custody of stores and equipment	17
15.2	Surpluses or deficiencies on stocks and stores	17
15.3	Property not to be used other than for Care Inspectorate purposes	17
16.	Security	18
16.1	Responsibility of maintaining proper security	18
16.2	Limits on cash holdings	18
16.3	Responsibilities for keys to safes etc.	18
17.	Petty Cash Imprest accounts	18
17.1	Imprest system for advances	18
17.2	Guidance on security and limits as to use of imprest	18
17.3	Accounting for advances	18
18.	Travelling, subsistence and financial loss allowances	18
18.1	Procedures for claims for payment	18
18.2	Certification of claims	19
18.3	Business expenses	19
18.4	Travel and accommodation arrangements	19
19.	Expenditure on gifts, hospitality and sponsorship	19
19.1	Provision of hospitality or entertainment of persons	19
19.2	Gifts	19
19.3	Sponsorship	19
20.	Registering and Declaring Interests	19
20.1	Duty to register and/or declare interests	19
20.2	Codes of Conduct	19
20.3	Register of Board Members' Interests	19
20.4	Seeking advice	19
21.	Acceptance of Gifts, Hospitality and Services	20
21.1	Acceptance of gifts, hospitality and services	20
21.2	Gift or hospitality values	20
21.3	Duty to register gifts and hospitality	20
21.4	Exceptional circumstances	20

22.0	Grants awarded to the Care Inspectorate	20
22.1	Approval of bid by SMG	
22.2	Referrals to the Sponsor Department	
23.	Write off of Bad Debts and/or Losses	20
23.1	Write off of losses	20
23.2	Losses exceeding £3,000	20
23.3	Write off of irrecoverable debt	21
24.	Approval and Revision of Financial Regulations by the Care Inspectorate	21
24.1	Frequency and approval of review	21

FINANCIAL REGULATION

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 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 Services will report directly to the Chief Executive and keep them informed on the operation of these financial regulations. In the absence of the Executive Director of Corporate Services, the Chief Executive will assume responsibility for all functions delegated to them 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 Services will provide a draft budget report to the Board each financial year for its approval.
- 1.5 The Executive Director of Corporate 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 Finance and Resources (F&R) Committee and/or 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 an "Implications and/or Direct Benefits" 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 Services as early as possible in a development to ensure sustainability, financial, legal, health and safety and human resource implications are considered at an early stage. Normally, the responsible officer must submit the draft report to the Executive Director of Corporate Services no later than 7 days prior to the date of the reports being issued for the meeting. Any observations on the report made by the Executive Director of Corporate Services or their representative must be incorporated into 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 Services.
- 1.7 At all times, the Care Inspectorate will try to secure 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 Services on the revenue spending of the Care Inspectorate. This will normally be through budget monitoring reports to Strategic Management Group (SMG), but the Chief Executive may ask for an update at any time. The Executive Director of Corporate Services will provide a budget monitoring report detailing any significant under or overspending to each meeting of the F&R 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 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 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 Services.
- 2.3 The Executive Director of Corporate Services will submit the draft Revenue Budget and Capital Plan first to SMG and then to F&R Committee 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 SMG and F&R Committee can consider the proposed budget. The Committee's recommendations will then be submitted to the Board for its approval.
- 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, and where it is probable that future economic benefits associated with the item will flow to the Care Inspectorate. If in doubt, the Head of Finance and Corporate Governance or the Finance and Procurement Manager 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 SMG or the Executive Team.

- 3.3 The Chief Executive may approve any expenditure which would otherwise require Board approval where she/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 Executive Director deputising for the Chief Executive shall be conclusive), provided that such action is reported to the F&R Committee at its next meeting following the taking of the action, in terms of paragraph 2.3.8 of the Care Inspectorate's Reservation of Powers and Scheme of Delegation.
- 3.4 The Executive Director of Corporate Services will provide each budget manager regular statements of income and expenditure under each approved budget heading 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 Services.
- 3.6 The Executive Director of Corporate Services will submit regular budget monitoring reports to the F&R Committee which detail the Care Inspectorate's income and expenditure position with sufficient additional information so that the Committee can properly monitor the Care Inspectorate's up to date financial position. Budget monitoring reports will also be submitted to each meeting of the Board.

4. Budget Flexibility

- 4.1 Once the Board has 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 income/expenditure headings or costs centres) may be used as a means of funding desirable or essential expenditure. The budget virement policy is available on the Finance section of 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 the cumulative cost implications of changes are more than £200,000 per annum. The Board must approve changes of this nature.
- 4.3 **Alternative Expenditure Proposals (AEP):** The AEP process (available on the intranet) is used for SMG 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 SMG. It should be noted that no AEP proposal should be used to finance a new service or change an existing Care Inspectorate policy decision. The relevant Committee or Board must approve changes of this nature.

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 F&R Committee and/or 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 change will alter the budgeted cost of the permanent establishment by more than £200,000 per annum. £200,000 is the cumulative total of all changes made during the financial year, the Board must approve all changes to the permanent establishment that will mean the cumulative £200k limit is exceeded.

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 Services. All Care Inspectorate accounts and accounting records will be compiled by the Executive Director of Corporate Services or under their direction.

5.2 Each year, the Executive Director of Corporate 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 and Risk 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 Services or any member of their staff or any other person authorised by them 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 their 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 [Reporting Suspected Fraud, Theft or Other Financial Irregularity procedure](#) should be followed. [The Counter Fraud, Bribery and Corruption Framework](#) and the [Whistleblowing Guidance](#) are all relevant for consideration in such circumstances.
- 6.4 All internal audit reports shall be submitted to the relevant Director and SMG for consideration and agreement of a management response where required. These reports are subsequently considered by SMG.
- 6.5 All reports from either the External Auditor or Internal Auditor will be submitted to the Audit and Risk 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 Services who will operate such banking accounts as he may consider necessary.
- 7.2 The Executive Director of Corporate 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 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 effective and reviewed.
- 7.5 The Executive Director of Corporate 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 must be followed for all procurement and purchasing activity. Guidance and procedural documentation are available for all procurement processes within the procurement area of the Finance section of the document library on the intranet. All procurement activity must follow the approved procurement procedures and comply with the 'Delegated Authority to Commit & Approve Expenditure' which is also available within the procurement area of the Finance section of the document library on the intranet.
- 8.2 The procurement process to be followed is determined by value as follows:

Competitive process to be followed	Value of spend (exc VAT and for the whole life of the requirement)	Route to market		Procurement strategy business case required (Template 30)	Engage Procurement Team
		Suitable framework available?			
		Yes	No		
Low Value	<£5,000	n/a	Min 1 quote	No	No
Basic Value	£5,000- £10,000	Direct award or mini competition as per Framework rules	Min 3 evidenced quotes	No	No (support is available if required)
Quick Quote/ Framework	£10,000-£50,000	Direct award or mini competition as per Framework rules	Min 4 quotes through PCS	No	Yes
Standard	£50,000 – £179,087	Direct award or mini competition as per Framework rules	Open competition through PCS with basic SPD	Yes	Yes
Government Procurement Agreement (GPA) Tender Process ¹	>£179,087	Direct award or mini competition as per Framework rules	Open competition through PCS with full SPD	Yes	Yes

- 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 Procurement Team.
- 8.4 All procurement which is advertised as a full tender on the 'Public Contracts Scotland' advertising portal must have a project and evaluation team whereby all staff have undergone procurement training.
- 8.5 Authority to award competitively procured contracts is delegated to officers as noted in the "[Authority to Commit and 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.

¹ The GPA threshold is a VAT inclusive threshold of £214,904. This is reviewed every two years.

- 8.6 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 Services or the Head of Finance and Corporate Governance. Requests for ‘Non Competitive Action’ with a value exceeding these thresholds require Sponsor Department approval.
- 8.7 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 section of the document library 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](#) are available within the Transactions 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 an Electronic 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 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 heading 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 Contracts’](#) document.
- 9.7 The Executive Director of Corporate Services will maintain a register of authorised signatories. Budget managers must notify any additions and deletions to the Finance and Procurement Manager.

10. Electronic Purchasing Card (GPC)

- 10.1 Designated officers have a GPC card 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 [Procurement](#) area of the Finance section of the document library on 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.
 - e. Card details must not be stored on internet sites.
- 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, confirmation that the goods have been received must be sent to HQ requisitions. A goods received template is in the Transactions Team 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 general ledger code.
 - (f) the expenditure is within their delegated financial authority and
 - (g) 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 Services. Approved payment methods are as follows:

- (a) Direct BACS submission ie invoices and non-payroll expenses
- (b) Indirect BACS submission ie managed payroll service payments
- (c) Cheque
- (d) Direct payments via bank account
- (e) Petty cash (see section 17)
- (f) GPC card (see section 10)
- (g) Direct debit
- (h) Standing order

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

- 11.6 We will not make payment on duplicate invoices, statements or copy invoices unless the approving officer certifies in writing that the amount in question has not previously been paid and the charge is accurate to reflect the goods or services received.
- 11.7 The Executive Director of Corporate Services may approve special payments in accordance with the Scottish Public Finance Manual up to the value of up to £10,000 (subject to any specific limits set out in the Care Inspectorate Executive Framework). Any special payments exceeding this value must be approved by the Sponsor Department.
- 11.8 The maximum value of any ex-gratia payment cannot exceed £200 and must be approved by the Executive Director of Corporate Services.

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 Services under arrangements approved and controlled by them.
- 12.2 The Executive Director of Corporate 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 Services and shall be certified in accordance with guidance issued by the Executive Director of Corporate Services.

12.4 The Executive Director of Corporate Services will provide through the payroll system any management information as they, 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 SMG 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 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 them. All accounts due to the Care Inspectorate will be issued by, or under arrangements approved by, the Executive Director of Corporate 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 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 Services.

13.6 All monies received on behalf of the Care Inspectorate in any department shall be deposited promptly with the Care Inspectorate's bankers according to the arrangements made by the Executive Director of Corporate 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 cash is received, the person receiving it will issue a receipt to record the transaction.

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 Care Inspectorate Registration App for the billing of continuation of registration fees, or their successor system when implemented.

- 13.10 The “Debt Management 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 Finance and Procurement 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 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 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 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 Services will be responsible for agreeing a position with the Sponsor Department where losses occur.

15. Inventories

- 15.1 The Executive Director of Corporate Services is responsible for ensuring inventory lists of all furniture and fittings, vehicles, plant and equipment is maintained.
- 15.2 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 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.
- 15.3 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 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 Services and shall not be exceeded without their 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 Services immediately. For security purposes, keys should be removed from premises overnight.

17. Petty Cash Imprest accounts

- 17.1 The Executive Director of Corporate 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 Services shall issue appropriate instructions to officers to ensure to their satisfaction the proper security of cash advanced in this way. They 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 Services when required and shall repay the money on leaving the Care Inspectorate's employment or when required by the Executive Director of Corporate 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 Services to them 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 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 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 Business expenses charged to GPC cards remain subject to the Business Travel and Subsistence Policy. Human Resources and Finance staff conduct regular compliance reviews.
- 18.4 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 Executive Director of Corporate Services 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 Services or the Head of Finance and Corporate Governance as appropriate.

21. Acceptance of Gifts, Hospitality and Services

- 21.1 The acceptance of gifts, hospitality and services from interested business parties could be presented as promoting a conflict of interest that might arguably have compromised the impartiality of members and staff in the decisions that they were required to make.
- 21.2 Where gifts or hospitality have been received, the gift must be of a nominal or notional value. A gift should not be accepted if the cumulative value from any one organisation or individual exceeds £200 in any 12-month period or £50 for any one gift.
- 21.3 You should inform the Head of Finance and Corporate Governance or the Finance and Procurement of the details of gifts or hospitality accepted or declined. This will be recorded in the Gifts and Hospitality Register.
- 21.4 The Chief Executive may, in exceptional circumstances, override the above principles where members and staff are able to demonstrate that the business needs of the Care Inspectorate justify it. The Chief Executive's approval of the acceptance of the gift should be sought as soon as the gift or hospitality is offered.

22. Grants Awarded to the Care Inspectorate

- 22.1 All bids for grant funding must be approved by the Senior Management Group before being submitted to the grant provider. SMG should be informed of the grant funding amount, funding period, staffing implications, outcomes, key milestones and any risks to the Care Inspectorate. Where possible, grants will be included in the annual budget.
- 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.

23. Write off of Bad Debts and/or Losses

- 23.1 The Executive Director of Corporate Services may approve the write off of bad debt and or losses, not exceeding £3,000 in the following circumstances:
- i) Loss of cash due to theft, fraud, overpayment of salaries, wages, fees, allowances or other causes
 - ii) Loss of equipment and property due to theft, fraud, arson, fire, flood, motor vehicle accidents or damage to vehicles.
- 23.2 Losses exceeding £3,000 must be submitted to the Sponsor Department and will be reported to the Board.
- 23.3 In accordance with the NDPB Executive Framework, irrecoverable debt related to statutory fees charged to care service providers with a value of £10,000 or less will be authorised by the Chief Executive and debts to be

written off with a value exceeding £10,000 must be authorised by the Sponsor Department.

24. Approval and Revision of Financial Regulations by the Care Inspectorate

- 24.1 The Financial Regulations will be reviewed at least annually by the F&R Committee and at any time if the circumstances indicate this would be appropriate. Following a review, the Board must approve any amendments to the Financial Regulations.