

Agenda Item	9
Report No	RES 05/20

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 30 January 2020

Report Title: Banking and Related Financial Transactions – Authorised Signatories

Report By: Executive Chief Officer – Resources and Finance

1. Purpose/Executive Summary

- 1.1 To update the approved list of officers appointed to authorise banking and related financial transactions on behalf of the Council.
- 1.2 To amend the Financial Regulations (10.7) relating to arrangements for online banking.

2. Recommendations

- 2.1 Members are asked to:
 - i. Approve the addition of Liz Denovan, Executive Chief Officer Resources and Finance to the list of authorised signatories for banking and related financial transactions with immediate effect
 - ii. Approve a change to 10.7 of the Financial Regulations to allow additional Principal Accountants to authorise online banking transactions.
 - iii. To approve the following Principal Accountants to be able to authorise online banking transactions:
 - Fiona Callum, Principal Accountant, Corporate Finance
 - Alison McDonald, Principal Accountant, Corporate Finance

3. Implications

- 3.1 Resource – amendment to Financial Regulations
- 3.2 Legal – none
- 3.3 Community (Equality, Poverty, Rural and Island) – none
- 3.4 Climate Change / Carbon Clever – none
- 3.5 Risk – none
- 3.6 Gaelic - none

4. Introduction

- 4.1 The Council's banking arrangements are specified in the Council's Financial Regulations as follows:

Regulation 2.2.3 states: "Any reference in these Regulations to the Director of Finance includes those specifically authorised by him to undertake the various functions concerned".

Regulation 10.2 states: "All arrangements with the Council's bankers will be made by the Director of Finance".

Regulations 10.5 states: "Cheques on the Council's bank accounts, including Post Office banking accounts, will bear the facsimile signature of, or be signed by, the Director of Finance or other designated signatory approved by the Resources Committee to undertake this task".

Regulation 10.7 states: "The Director of Finance will make all necessary arrangements through the use of online banking, to enable appropriate transactions to be processed through the Bankers Automated Clearing System (BACS) and the Clearing House Automated Payments System (CHAPS). In order to operate online banking, the designated signatories referred to above shall authorise all transactions and shall be responsible for approving the limits, permissions and levels of authority granted to other system users".

5. Formal Changes

- 5.1 The previous Director of Finance ceased employment with the Council on 30 June 2019 and has been removed from the authorised signatories list.
- 5.2 Liz Denovan, Executive Chief Officer Resources and Finance started employment with the Council on 13 August 2019 and as she holds the role of Chief Financial Officer, it is proposed that she should be added to the list of authorised signatories.
- 5.3 If approval is given, the Council's authorised signatories for banking and related financial transactions will be as follows:

Liz Denovan – Executive Chief Officer Resources and Finance
Edward Foster – Head of Corporate Finance and Commercialism
Alan Gunn – Interim Chief Officer Resources (Care & Learning)
Michael Fraser – Finance Manager, Partnerships and Joint Ventures
Margaret Grigor – Finance Manager, Corporate Budgeting, Treasury and Taxation
Mike Mitchell – Finance Manager, Community Services and Development and Infrastructure.

6. Online Banking – Operational Changes

- 6.1 A recent internal audit report recommended improving financial controls by adding an additional approver for online banking payments, so that these transactions are to be approved by two approvers. Under the current financial regulations, this will require two officers from the list of authorised signatories to be available each morning to promptly approve the daily treasury transactions, and often there can be additional call on their time for approvals of emergency payments later in the day.

6.2 In order to ensure the process for approving online payments can be as efficient as possible and to provide cover for business contingency purposes it is proposed, with immediate effect to further extend the number of approvers for online banking by adding two Principal Accountants who will be authorised to approve online banking only and not be added to the list of authorised signatories.

6.3 In order to accommodate this proposal a change to section 10.7 of the financial regulations will be required as follows: (bold text indicates the change):

10.7 The Chief Financial Officer will make all necessary arrangements through the use of online banking, to enable appropriate transactions to be processed through the Bankers Automated Clearing System (BACS) and the Clearing House Automated Payments System (CHAPS). In order to operate online banking, the designated signatories referred to in section 10.5 above **and Principal Accountants as delegated by the Chief Financial Officer and approved by Resources Committee** shall authorise all transactions and shall be responsible for approving the limits, permissions and levels of authority granted to other system users. All system users shall comply with the terms and conditions of use stipulated by the Bank.

6.4 If approval is given, The Council's authorised list for online banking approvals will be as follows:

Liz Denovan – Executive Chief Officer Resources and Finance
Edward Foster – Head of Corporate Finance and Commercialism
Alan Gunn – Interim Chief Officer Resources (Care & Learning)
Michael Fraser – Finance Manager, Partnerships and Joint Ventures
Margaret Grigor – Finance Manager, Corporate Budgeting, Treasury and Taxation
Mike Mitchell – Finance Manager, Community Services and Development and Infrastructure
Fiona Callum, Principal Accountant, Corporate Budgeting, Treasury and Taxation
Alison McDonald, Principal Accountant, Corporate Budgeting, Treasury and Taxation

Designation : Executive Chief Officer Resources and Finance

Date: 16 January 2020

Author: Edward Foster

Background Papers: none