

Item:  
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## Report to Partnership Meeting 15 April 2016

### PARTNERSHIP

#### Review of HITRANS Financial Regulations

##### SUMMARY

The HITRANS Business Plan for 2015/16 identified that the adoption of the latest Financial Regulations of the Partnership should be undertaken at this time. The previous Review was approved by the Partnership at its meeting on 6 February 2015. This Review has now been completed by the Partnership Director and Finance Manager and the findings and recommendations for changes are presented for the Board's consideration.

##### DETAIL

HITRANS adopted The Highland Council's Financial Regulations dated June 2014 at the Partnership meeting on 6 February 2015. A full review of the Financial Regulations was last undertaken in June 2014 and minor revisions were approved by the Council in March 2015 and June 2015. The revisions were in respect of capital governance issues, and the Housing Revenue Account, both of which are not applicable to HITRANS.

The Council's Regulations were subsequently revised with effect from September 2015, with mainly minor changes. A new Financial Management Information System (Integra) was introduced from 1 April 2015 and minor changes are required to the Financial Regulations resulting from this. The main change is in relation to the payment of invoices in Section 21 of the Regulations. In addition, a review of budgetary control procedures which was undertaken as part of the audit work to support the audit opinion within the Statement on Internal Control (reported to the Board meeting in September 2015) has identified that the Regulations need to be strengthened with regard to the reporting of revenue budget variances.

The revised Highland Council Financial Regulations September 2015 were approved by The Highland Council on 30 September 2015. The HITRANS Financial Regulations are based on The Highland Council Documents, with HITRANS taking the place of The Highland Council in relation to HITRANS activities.

A copy of the updated Financial Regulations can be found on the HITRANS website under Policies in the Corporate Documents section.

##### RECOMMENDATIONS

The Partnership is asked to agree to the application to HITRANS of The Highland Council Financial Regulations September 2015, and to be implemented forthwith.

Risk	Impact	Comment
RTS delivery	✓	The Partnership's Financial Regulations establish the basis for ensuring good practice and effective management within our financial activities.

Policy	✓	It is HITRANS Policy to adopt best practice in Financial Management following the model set by The Highland Council.
Financial	✓	Implementation of the Financial regulations provide a sound basis for minimising risk to the Partnership from a financial perspective.
Equality	-	

**Report by:** Ranald Robertson  
**Designation:** Partnership Director  
**Date:** 6<sup>th</sup> April 2016