

**Appendix 1: Proposed Changes to APPENDIX 6 TO THE CONSTITUTION OF THE ESPO MANAGEMENT COMMITTEE – FINANCIAL REGULATIONS OF THE ESPO MANAGEMENT COMMITTEE (INCLUDING THE STANDARD FINANCIAL INSTRUCTIONS)**

Standard financial Instructions

**INSTRUCTION 11**

Stocktaking and consequential action for ESPO Central Stores stocks held for resale.

(a) Stocks and stores records must be kept in such cases and in a form as may be agreed by the ESPO Director and subject to approval by the Servicing Authority's internal audit on behalf of the Consortium Treasurer. There must be a complete physical stocktaking at the closure of every financial year following procedures approved with the Servicing Authority's internal audit and approved by ESPO external auditors. The exception to this is where continuous stocktaking arrangements, agreed with the Consortium Treasurer (or their authorised representative), are operating. Test checks will also be made from time to time.

(b) The value of stocks held at 31 March each year must be certified by ESPO's Assistant Director - Operations or their authorised representative and supplied to ESPO's Assistant Director - Finance for inclusion in the Statement of Accounts

(c) Surpluses or deficiencies revealed during stocktaking must be reported to the ESPO Director, or their authorised representative, who can approve all write-ons/off. Deficiencies due to irregularity, or where a write on/off results in out of budget spend, should be raised with the Consortium Treasurer (or their authorised representative) and reported to the Management Committee if the Consortium Treasurer (or their authorised representative) considers this appropriate.

d) Surplus or obsolete items of stocks and stores may be disposed of by the ESPO Director or their authorised representative. A record should be kept of all details relating to disposals.

**INSTRUCTION 12 Inventories and consequential action**

(a) All inventories will be kept in a form approved by the Consortium Treasurer (or their authorised representative). Where a computerised inventory is in use, its method of operation should conform to standards set down by the Consortium Treasurer (or their authorised representative).

(b) The ESPO Director will be responsible for ensuring that an annual check of all items on the inventory is carried out and for taking action in relation to any surpluses or deficiencies and noting the inventory accordingly. Deficiencies due to irregularity, or where a write on/off results in out of budget spend, should be raised with the Consortium Treasurer (or their authorised representative) and reported to the Management Committee if the Consortium Treasurer (or their authorised representative) considers this appropriate.

(c) The Consortium Treasurer or their representative may at all reasonable times have access to all property of ESPO and may make such checks and tests as he or she deems reasonable.

(d) ESPO's property must not be removed from the premises except in the ordinary course of business, or used otherwise than for business purposes except in accordance with specific directions issued by the ESPO Director or her authorised representative and agreed by the Consortium Treasurer (or their authorised representative). A record of such removals will be maintained at the establishment concerned.

(e) none

(f) The ESPO Director or her authorised representatives should follow standard corporate procedures for the redistribution, sale or disposal of surplus items of computer and ICT equipment. These procedures will be subject to approval by the Consortium Treasurer (or their authorised representative).

#### INSTRUCTION 14

##### Write-offs of amounts owed to ESPO

(a) An amount due to ESPO must only be discharged by payment or by write-off

(b) Any amounts to be written-off must be approved by the ESPO Director or their authorised representative.

(d) Deficiencies due to irregularity, or where a write off results in out of budget spend, should be raised with the Consortium Treasurer (or their authorised representative) and reported to the Management Committee if the Consortium Treasurer (or their authorised representative) considers this appropriate.