



Isle of Man
Government

FINANCIAL REGULATIONS

ISLE OF MAN POST OFFICE

**Issued by the Treasury
Government Office
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Isle of Man
IM1 3PX**

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Introduction

1. These Regulations are issued by the Treasury, which is required by section 3 of the Treasury Act 1985 *"to supervise and control all matters relating to the financial affairs of the Government"*.
2. It is necessary to be vigilant in the administration of public funds. The purpose of financial control is to ensure that all the Government's resources are used as effectively as possible to achieve its objectives. Although a written code of financial regulations is not essential to a system of financial control, it is desirable for the following reasons:
 - a) Written directions are necessary in certain cases if the controls are to be legally binding (see below);
 - b) A written code ensures a degree of continuity and consistency which custom and practice may not achieve;
 - c) It is helpful to new members and officers of designated bodies to know what is expected of them when dealing with financial matters.
3. **These Regulations apply to the Isle of Man Post Office.** From the date of approval of these regulations, the Isle of Man Post Office will no longer be a "designated body" as defined in the general Financial Regulations issued by Treasury. The regulations specified in this document, and any subsequent updates, shall apply to the Isle of Man Post Office. In this document, any reference to "designated body" shall mean the Isle of Man Post Office
4. The objects of these Regulations are threefold:
 - a) To protect public funds against precipitate acts;
 - b) To ensure that the Isle of Man Post Office follows proper procedures in its financial operations;
 - c) To co-ordinate financial policy at officer level.
5. In addition to these Regulations, the attention of the Accounting Officer is drawn to the Audit Act 2006 and the Accounts and Audit Regulations 2007 to 2008.
6. These Regulations are divided into two parts, comprising -
 - Part 1** - **Directions** given by the Treasury under section 3 of the Treasury Act 1985, with which designated bodies are legally bound to comply: failure to comply would render any expenditure incurred contrary to law. Directions are referred to in these Regulations as "FD" followed by a number.
 - Part 2** - **Guidelines** which do not constitute legally binding directions but are recommended as best practice (referred to in these Regulations as "FG" followed by a number).

If compliance with a Regulation is causing difficulties, the advice of the Financial Controller or the Financial Management Advisor of Treasury's Corporate Strategy Division should be sought.

An officer who knows there has been a breach of a direction must report the information to his line manager, who must then ensure that it is reported to his superior etc. Appropriate reporting should ensure that the breach is drawn to the attention of a person who can take all necessary and appropriate action.

Where an officer feels unable to raise the issue with his line manager, the Officer can use the reporting arrangements provided by the Confidential Reporting (Whistle-blowing) Policy or can report the matter to the Chief Internal Auditor. Where the issue relates to a suspected breach by the Accounting Officer, the matter should be reported to the Chief Internal Auditor.

Failure to report a non-compliance with directions may, depending upon the circumstances, expose an officer to disciplinary action.

The Isle of Man Post Office is expected to comply with regulations which do not constitute such directions, i.e. the guidelines, in order to secure proper economy and consistency, unless there are good and well-documented reasons for acting otherwise; non-compliance may constitute a disciplinary offence.

Before the Isle of Man Post Office acts in any way which does not comply with the guidelines, the agreement of the Board (or person delegated by the Board for this purpose) to the proposed course of action must be obtained.

7. The notes to the directions and guidelines are for guidance only and do not form part of the relevant direction or guideline.
8. Any reference to directions or guidelines is to be taken as a reference to the directions or guidelines as amended or replaced from time to time.
9. In these Regulations expressions which denote any reference to one gender shall include the other and any reference to the singular includes the plural and vice versa.

Interpretation

In these Regulations the following interpretations apply:

“Accounting Officer”	in relation to the Isle of Man Post Office is the officer designated as its Accounting Officer under FD2
“Department”	a Government Department to which the Government Departments Act 1987 applies
“Chief Executive Officer”	in relation to the Isle of Man Post Office, the chief executive officer or functional equivalent of the designated body by whatever title designated
“the Minister”	in relation to a Department, the Minister for that Department (acting in person)
“the Board”	in relation to a Statutory Board, the Board itself
“Chief Financial Officer”	the principal financial adviser to the Treasury within the

meaning of the Treasury Act 1985

“Officer”	an officer or office holder of a designated body of government as defined by the Financial Regulations. Without limiting the generality of the foregoing this includes all public servants, civil servants and persons with lawfully delegated powers and responsibilities of a designated body.
“Senior Officer”	any officer of managerial grade or above
“FD”	means the financial directions as set out in Part 1 of these Regulations.
“FG”	means financial guidelines as set out in Part 2 of these Regulations.
“Procurement Services”	is the Procurement Services section of the Treasury’s Corporate Strategy Division and is the means through which Government as a whole tenders for goods, services and works for the cost-effective delivery of public services .Procurement Practice Note 1 – The Role of Procurement Services describes the role of Procurement Services and its relationship with designated bodies.
“P.A.C.”	the Standing Committee on Expenditure and Public Accounts of Tynwald
“the Treasury”	the Minister or Minister and political members in a meeting together, as authorised by the Minister under section 3(2) of the Government Departments Act 1987.
“Financial Controller”	Leader of the Corporate Strategy Division of the Treasury, Finance Officer of the Treasury and a key advisor to the Chief Financial Officer

10. In addition to these Regulations, Treasury may issue a specific direction relating to a given set of circumstances which are not covered, or not fully covered, by existing Regulations. The following procedure will govern this process:-
 - 10.1 Every effort, including direct communication between the Treasury and the Board of the Isle of Man Post Office, should be made to come to an acceptable agreement before consideration is given to issuing a Direction.
 - 10.2 These efforts should be concluded within a short timescale.
 - 10.3 The efforts to reach such agreement should be documented and minutes taken of all meetings.
 - 10.4 When the Treasury Minister and political members are satisfied that all proportionate efforts have been made to reach an agreement without success, the Minister should write to the Board of the designated body advising:

- i. that consideration is being given to the issue of a Direction;
- ii. the reasons for that decision;
- iii. the action taken to try to reach an agreement; and
- iv. that the Board is requested to respond by a set date, setting out what action(s) it intends to take to resolve the concern and the proposed timescale for completion.

10.5 The Direction should only subsequently be issued if:

- i. Treasury accepts the Isle of Man Post Office's proposed actions but the Isle of Man Post Office fails to implement them, or
- ii. The Isle of Man Post Office's proposed actions are not acceptable and negotiations for an acceptable settlement fail.

10.6 If it is decided that a Direction must be issued, Treasury will submit the Direction letter to the Attorney General beforehand for his advice.

10.7 These Regulations are also applicable to anyone acting on behalf of the Isle of Man Post Office, including contractors and consultants commissioned to act on behalf of the Isle of Man Post Office. This does not apply to contractors and consultants commissioned to provide services to the Isle of Man Post Office under normal business practice.

FINANCIAL REGULATIONS

PART 1

DIRECTIONS

FD1 GIFTS AND REWARDS

1. No member or officer of the Isle of Man Post Office may accept, directly or indirectly, any gift, reward, hospitality or benefit from any member of the public or organisation with whom he is brought into contact by reason of his official duties other than:

- a) conventional hospitality, such as lunches in the course of working visits;
- b) isolated gifts of low value such as diaries, calendars, flowers and chocolates
- c) as determined by Board policy

Notes:

1. Attention is drawn to the provisions of the Corruption Act 2008 which contains certain general corruption offences.
2. Attention is also drawn to the Isle of Man Government Code of Conduct for Public Servants issued by the Personnel Office.
3. If refusal to accept a gift may cause offence to the giver, the early advice of the Accounting Officer of the relevant designated body should be sought.

FD2 ACCOUNTING OFFICERS

1. The Chief Executive Officer of the Isle of Man Post Office is the Accounting Officer.
2. The Accounting Officer shall assist the Chief Financial Officer in ensuring that accounting and financial record systems are established and maintained in accordance with FG6 and that the Accounts and Audit Regulations 2007 to 2008 are complied with.
3. The Accounting Officer is responsible for the authorising of all financial transactions.
4. Where delegations of the duties of Accounting Officers take place in accordance with the Statutory Boards Act 1987 or the Interpretation Act 1976, a written record of delegated authorities should be maintained, reviewed annually and updated when necessary.
5. The Accounting Officer is responsible for arrangements for the payment of officers of the designated body in accordance with both FD7 and FG7.
6. The Accounting Officer must ensure that all appropriate officers are aware of and comply with the Financial Regulations as appropriate to their activities.
7. The main financial responsibilities of the Accounting Officer are as follows:-
 - a. ensuring that financial procedures are followed and that accounting records are maintained properly both in accordance with Treasury instructions and Financial Regulations for vote accounting purposes and in a form suited for management purposes;
 - b. ensuring that public funds are properly and well managed and that departmental and independent checks are made of cash balances, equipment and property held by the designated body;
 - c. ensuring that in the consideration of policy proposals relating to expenditure or income all relevant financial considerations are taken into account and brought to the attention of the Board;
 - d. ensuring that the designated body has appropriate systems so that relevant officers at all levels have a clear view of their objectives and the means to assess and, whenever possible, measure outputs or performance in relation to those objectives;
 - e. ensuring that all relevant officers are given well defined responsibilities for making the best use of resources including a critical scrutiny of output and value for money;
 - f. ensuring that all relevant officers have the information about costs, training and the availability of expert advice in order to discharge their responsibilities effectively.
 - g. monitoring expenditure against vote and other control totals (including budgets where they exist) within the estimates, ensuring compliance with these Regulations, and ensuring that robust control systems are in place including the setting of objectives and evaluation systems to review performance against them.
8. The Accounting Officers has a particular responsibility to see that appropriate advice

is tendered to their Board on all matters of financial propriety and regularity and more broadly as to all considerations of prudent and economical administration, efficiency and effectiveness.

- 9.** If the Board is contemplating a course of action involving a transaction which the Accounting Officer considers would infringe the requirements of propriety, regularity or the need for Treasury authority, he should set out in writing his objection to the proposal and the reason for the objection.
- 10.** If the Board decides nonetheless to proceed, the Accounting Officer must seek written instructions from the Board to take the action in question. Having received the instruction the Accounting Officer must comply with it but should then inform the Council of Ministers and the Treasury of the occurrence, without delay. It is the function of the Council of Ministers to advise the Standing Committee on Expenditure and Public Accounts (PAC) if the Board's decision is carried into effect.
- 11.** If a Board is contemplating a course of action, which does not fall within paragraph 10 above, against the advice of the Accounting Officer, and that officer considers such action would impair his or her ability to administer effective, efficient and economical control of the designated body he must seek written instructions from the Board before proceeding. If the or Board decides to proceed the Accounting Officer must comply, but may take action in accordance with paragraph 10 above.

Note: The fact that the Accounting Officer has followed the procedures detailed at paragraphs 9 to 11 above will be taken into account by the Standing Committee on Expenditure and Public Accounts of Tynwald (“the Standing Committee” when assessing responsibility for those actions. This shall not however be seen as fettering the discretion of the Standing Committees as to any decision that it shall make in respect of responsibility for liability.

FD3 OFFICIAL ORDERS FOR WORK AND GOODS

Official Orders

1. Official orders shall be issued in advance in all cases for the supply of goods or services except where the use of purchasing cards has been authorised or where by the nature of the transactions (e.g. gas, electricity, water, telephone, etc.) it is either unnecessary or impracticable. Official order numbers must be quoted for all telephoned, e-mailed, faxed or otherwise electronically placed orders and the details of the transaction recorded at the time.
2. Official Orders must be consecutively numbered
3. Official Orders must be authorised by approved persons within their delegated limits as prescribed by the Accounting Officer (see FD2.4).
4. Orders shall not be split or otherwise placed in a manner devised so as to circumvent financial thresholds.
5. Official orders must include the value of the purchase. The order should also include a note of any contract, quotation or discounting reference. FD8 specifies the procedures to be followed with regard to obtaining quotations and going out to tender for the procurement of goods and services.

Purchasing Cards & Credit Cards

6. The Accounting Officer shall establish instructions for the control and use of purchase cards/credit cards in accordance with directions and guidance notes approved by the Board
7. The Accounting Officer shall establish the range of goods and services that can be purchased from specified suppliers along with a single transaction and a monthly credit limit for each cardholder.
8. Each cardholder must use the card in accordance with the instructions issued by the Accounting Officer and within specified financial limits
9. Cardholders are responsible for the use of their cards and for the security of their card details.
10. Only the named cardholder should use the card and cardholders must not use their cards to withdraw cash or for personal use.
11. Purchase card expenditure should be charged to business unit codes in the month of receipt of the card statement.

Note: An Official Order is an authorised instruction for the supply of goods or services which is supported by approved manual or electronic record of the transaction.

FD4 PAYMENT OF INVOICES

- 1.** The preferred method of payment for invoices and accounts payable shall be by BACS (Bankers Automated Clearing System) drawn on the Isle of Man Post Office's number one bank account.
- 2.** All payments generated shall be supported by an invoice authorised by the Accounting Officer, or other officer so authorised by him. Where there is a high volume of invoices from a single supplier, payments may be made on a statement of account provided this is associated with the relevant invoices and the statement is authorised in the same manner as an invoice.
- 3.** The authorisation of an invoice for payment signifies that:-
 - a. the invoice is supported by an official Isle of Man Post Office order, except in those circumstances where an official order is not required (FD3) and corresponds as to price, quantity and specification;
 - b. the goods or services invoiced have been received or delivered, except where payment has, by necessity, to be made in advance (e.g. booking fees or deposits on account);
 - c. the account is arithmetically accurate;
 - d. any VAT charged is levied on a proper tax invoice;
 - e. the goods or services invoiced have not previously been paid for.
- 4.** All payments made shall be fully and appropriately recorded in the Isle of Man Post Office's accounting records.
- 5.** The officer authorising payment of an invoice/purchase card statement should not be the same officer who authorised the official order or received the goods or services.

FD5 DEBTORS

1. The Accounting Officer must make every effort to recover outstanding debts.
2. The Isle of Man Post Office shall, by a formal resolution of the Board, specify a limit within which the Accounting Officer may write off individual debts. The authority of the Board must be obtained before any sum exceeding that limit is written off. (This does not apply to reductions made in order to correct calculations).
3. The Accounting Officer must forward to the Chief Financial Officer, in May of each year, an FD5 return in a form prescribed by the Chief Financial Officer, details of debts written off and bad debts outstanding with a profile of such debts which should relate to items of Post Office income only. Such details may be published as performance indicators in published accounts.
4. All debtor accounts for income due to the Isle of Man Post Office must be rendered promptly on authentic, serially numbered invoices. The Accounting Officer shall have the right to inspect any documents or other evidence in this connection as he may decide.
5. All accounts shall be raised for the correct amount in accordance with the Isle of Man Post Office's approved scales of charges. An account raised for less than the approved amount must be in accordance with the current approved discount policy or otherwise authorised by the Accounting Officer (or officer so authorised by the Accounting officer) and third party evidence supporting such reductions should be retained.
6. The Isle of Man Post Office must maintain adequate records of all debtor accounts raised and payments received so that all outstanding amounts can be readily identified and action to recover them can be initiated promptly.
7. The Accounting Officer shall ensure that the Isle of Man Post Office's outstanding accounts are reviewed on a regular and timely basis to ensure that all necessary recovery action has been taken.
8. Where formal recovery proceedings have been commenced and designated bodies enter the Isle of Man Post Office enters into dialogue with the debtor to agree a repayment programme, the formal proceedings should not be discontinued until full written agreement is reached on a repayment programme.

FD6 BANKING ARRANGEMENTS

1. All arrangements with the Isle of Man Post Office's bankers shall be made by, or under arrangements formally approved by the Board of the Isle of Man Post Office, after consultation with the Chief Financial Officer. For the purposes of clarity this direction does not authorise the Isle of Man Post Office to enter into borrowing arrangements with bankers without the prior approval of Treasury (FD23 must be complied with)
2. All monies must be deposited without undue delay into the Isle of Man Post Office's number one bank account or other appropriate bank account of the Isle of Man Post Office.
3. No deduction may be made from such money save to the extent that the Accounting Officer may specifically authorise in writing. A record of such authorised deductions shall be maintained and made available for audit
4. Personal cheques and post-dated cheques shall not be cashed out of monies held on behalf of the Isle of Man Post Office
5. Cheques shall be banked no later than the next following business day after receipt, unless arrangements to pay in small sums on a more flexible basis have been agreed with the Accounting Officer.
6. The Accounting Officer should ensure all banking relating to the Isle of Man Post office has been credited to the correct code in the Isle of Man Post Office's accounting records.
7. Where cheques are received in person, for the supply of "over the counter" goods and/or services officers shall require the cheque to be either
 - a) supported by a cheque guarantee card
 - b) authorised against a current cheque authority card up to the limit specified on that card

The Isle of Man Post Office should formulate appropriate guidelines for the acceptance of cheques where the person offering the cheque is unwilling or unable to produce a cheque guarantee card, or where the limit of the card is exceeded by the amount involved

FD7 PAYMENT OF SALARIES AND WAGES

1. Enhancements to Basic Pay

Adequate third party documentation ("prime documents"), appropriately authorised, must support all enhancements to basic pay paid to all classes of officers (salaried and manual). In respect of overtime, additional payments for week-end, bank holiday work, unsocial hours payments etc., timesheets must be completed by the officer concerned and authorised by a supervising officer. The timesheets must be retained for audit purposes.

2. Deductions from Gross Pay

All deductions from gross pay must be supported by adequate third party supporting documentation. Payment of salaries and wages is, by definition, made to employees: and so appropriate income tax (ITIP) and national insurance deductions must be made. Payments for services made to individuals (or companies etc.) who are not employees are dealt with at FD24.

3. Authorisation

The Accounting Officer shall determine which of his officers are authorised to certify the payroll input documents.

4. Benefits in Kind

- a) The Accounting Officer must ensure that appropriate systems are in place to provide accurate records of all benefits in kind received by officers and ensure such details are declared to the Assessor of Income Tax for benefit in kind taxation purposes.
- b) The Isle of Man Post Office should not undertake to meet any obligation for benefit in kind taxation in respect of any of its officers.

5. Overpayments

Treasury and the Board have endorsed a policy of seeking recovery of salary overpayments from employees wherever possible on the basis that they are public funds and the employee has a duty to report salary overpayments when they arise. Any compromise agreements, which are implemented to support repayment, must be approved by the Finance Officer and the Accounting Officer based on the above. Should an individual leave service before all repayments are made, the remaining balance will be deducted from final salary or any lump sum pension awards (to the extent, if any, permissible under pension scheme rules).

To this end, all Accounting Officers are responsible for ensuring that all absence data (annual/flex leave, sick leave) is recorded within the appropriate management system

FD8 PROCUREMENT AND TENDERS

This direction does not apply to Capital Projects (see FD17)

1. This direction does apply where the Isle of Man Post Office is:-
 - a) In the position of offering third parties the opportunity to earn income.
 - b) Disposing of assets not covered by FD29 Land Acquisition and Disposal.
 - c) Commissioning a service which is paid for by means of a fee or sales commission.*Note 3 below.
2. The Board of the Isle of Man Post Office shall determine, after consultation with the Chief Financial Officer, appropriate financial criteria to determine:-
 - a) When a competitive tender process shall be followed.
 - b) In the absence of a competitive tender, when at least three written quotes must be obtained.
 - c) The discretion of the Accounting Officer to waive the requirements for competitive tender and the criteria against which such requests should be considered.

The Accounting Officer shall ensure that all Officers involved in the purchase of goods and/ or services on behalf of the Isle of Man Post Office comply with the limits set by the Board.

3. The Accounting Officer shall consult with the Director of Civil Law before determining whether the use of the Attorney General's Chambers Procurement services is appropriate to each tender.
4. The Accounting Officer shall ensure that an annual plan for tender activity is prepared before the start of each financial year. This plan shall be used for resource planning purposes and to enable a review of tender activity. For the purposes of clarity, non-inclusion in this plan does not prevent other appropriate tender activity taking place.
5. Should the Attorney General's Chambers Procurement Services be asked to undertake the tender. The Isle of Man Post Office will be required to develop a specification of sufficient detail to enable a competitive tender to be undertaken and they will be required to participate in the short listing and tender evaluation process. The specification or statement of requirements should not be produced by a person or organisation likely to be tendering for the contract. The tender process will not start and expressions of interest should not start until the specification and all associated tender documentation is complete and ready for release.
6. Where the Accounting Officer deems it necessary or appropriate, the Accounting Officer may instruct that competitive tenders be sought for supplies of goods and services which fall below the relevant financial criteria approved by the Board
7. Officers involved in the tender process or seeking quotes for goods and services must inform the Senior Legal Officer (Civil) or their Accounting Officer, as the case may be, if they or any of their immediate family, have any "direct interest" in any company or other business entity invited to tender or quote. Direct interest in relation to a company or other business entity, includes any senior position or directorship, the post of company secretary, and any holding or interest in 5 per cent or more of the issued share capital of the company or any associated company.
8. The maximum length of any contract or partnering arrangement to purchase goods and/or services will be 5 years, after which the service must be subject to competitive

tender or similar market forces evaluation, unless the Board of the Isle of Man Post Office decides, by formal minute to extend the arrangements in which case the reasons for the decision must be recorded and kept for audit

9. For construction work, designated bodies must employ Accredited Contractors who are included on the Manx Accredited Construction Contractors Scheme maintained by the Isle of Man Employers' Federation. Details can be obtained from the Isle of Man Employers' Federation, 23a Village Walk, Onchan Tel 660188 or www.employersfederation.co.im
10. Assistance from the Attorney General's Chambers must be sought for the preparation of tender and contract documentation unless this has been outsourced to an appropriately qualified professional. Where Procurement Services are involved they will seek the assistance from the Attorney General's Chambers on the designated body's behalf.
11. The Accounting Officer must ensure that a full record of decisions taken to exercise the discretion granted under 2(c) shall be maintained and available for audit. The Accounting Officer shall further ensure any use of this discretion shall be reported to the Board at its next available meeting.
12. In circumstances where a customer of the Isle of Man Post Office has exceeded the agreed terms of payment, the Isle of Man Post Office may take this into account when considering the selection of suppliers of goods and services to the designated body.
13. Where when tendering a requirement only one bid is received, a waiver in accordance with the limits approved by the Board under section 2 above shall be obtained.

Notes:

1. Where the tender process involves the issue of an invitation to tender, the submission of the tender(s) and the acceptance of the successful tender once an unconditional tender has been accepted, a contract has been formed without the need for a separate agreement to be entered into. Following the acceptance of a tender and the formation of the contract, new terms can only be agreed upon with the successful tenderer's agreement.
2. All monetary values quoted in this Regulation are deemed to be exclusive of VAT.
3. E.g. Estate agent's fees or similar deduction from the proceeds of a sale.

FD8 Financial Criteria – IOMPO Board approved August 2017

- Written or telephone quotations or internet prices or estimates should be sought for purchases costing less than £10,000 where considered appropriate. Where it is not possible or practicable to obtain 3 quotations or estimates, the reasons should be documented and retained for audit purposes
- 3 quotes or estimates required – advertise contract value of greater than £10,000
- Formal tender process required – contract value of greater than £100,000
- Accounting officer may waive tender requirements for contract values up to £100,000
- Board may waive tender requirements for contract values up to £250,000
- Treasury approval to waive tender requirements for contract values in excess of £250,000

FD9 TRAVEL AND SUBSISTENCE

1. Prior written approval must be obtained for all official travel from the island as follows:-
 - a. **Domestic Travel (British Isles)** - the Accounting Officer or other senior officers so authorised in writing by the Accounting Officer;
 - b. **Worldwide Travel (Beyond British Isles)** - the Accounting Officer. If the Accounting Officer is the intended traveller, then the prior approval of the Board must be obtained and the decision recorded.

Note: The British Isles consist of Great Britain, the whole of Ireland, the Orkney and Shetland Isles, the Isle of Man, the Inner and Outer Hebrides, the Isle of Wight, the Isles of Scilly, Lundy Island and the Channel Islands

2. The Accounting Officer must record details of all off-Island travel taken by Members and officers on official business.
3. The certification of a travel form by an Accounting Officer or an officer authorised to act on his behalf signifies that the journeys were authorised and necessary, the expenses were properly and necessarily incurred and the allowances are properly payable by the designated bodies.
4. The normal method of payment shall be via the payroll system (weekly / monthly) appropriate to the claimant. An alternative method of payment must be authorised by the Accounting Officer or Finance Officer.
5. Where an officer's normal place of work is classed as "Beyond the British Isles" (see para. 1b), journeys of travel costing more than £200 will require prior written authorisation from the Accounting Officer who is required to maintain a register of these individuals which will be available to Treasury by request.

FD10 INSURANCES

1. The Chief Financial Officer shall appoint insurance brokers, effect all central insurance cover and negotiate all claims, in consultation with other officers, where he thinks it necessary.
2. The Accounting Officer must notify the relevant broker and the Insurance Section of Treasury promptly of all disposals and acquisitions of property with an insurance replacement value of over £200,000, or such limit as may be notified to the Accounting Officer from time to time by the Chief Financial Officer. Schedules of vehicles and insured property must be maintained and supplied to the relevant insurer or broker upon request.
3. The Isle of Man Post Office may not enter into a new insurance policy or make substantial changes to its existing insurance cover without the prior approval of the Chief Financial Officer. There is no requirement to notify the Chief Financial Officer if a new policy is substantially the same as policies previously approved.
4. The Accounting Officer shall ensure that all incidents which may result in loss, liability or damage or any other event likely to lead to a claim are promptly notified to the relevant broker or insurer. If any such incident or event may involve a criminal offence, the police must also be informed.

If any assets covered by insurance are damaged or stolen, the approval of the Accounting Officer, or Finance Officer in his absence, must be obtained prior to ordering replacements or commencing remedial/ other work, except for emergency measures to prevent further damage or loss occurring.

5. Officers or anyone covered by the Government's insurances should not admit liability or make any other offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

Note:

General information on the central insurance programme arranged by Treasury is available on Government's intranet Corporate Pages (Insurance). [Insurance Link](#)

FD11 FINANCIAL IRREGULARITIES

1. The Accounting Officer must follow the guidance in the Anti-Fraud Strategy and Response plan as issued by Treasury and notify the Chief Internal Auditor, Treasury, immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities particularly those affecting cash, stores, property, remuneration or allowances. Accounting Officers should take no precipitate action unless the situation is such that no alternative exists.
2. If the Accounting Officer believes that a criminal offence may have been committed with regard to public funds (or if the Accounting Officer believes that there may be a possible future civil action for the recovery of any loss), they must seek the early advice of the Attorney General before involving the police in any investigation. It is essential that all financial irregularities involving public monies are pursued to the full, without exception, in accordance with the law.

Note: The reason for seeking the advice of the Attorney General (paragraph 2) is to ensure that any enquiry is not legally compromised by poor or inappropriate investigative procedures. If it is evident that a crime has been committed with prima facie evidence present, e.g. (straightforward theft, property damage, premises break in etc.) the police should be informed immediately and where appropriate the scene of the crime kept intact. Additionally issues of *Sub Judice* have to be considered by the Attorney General's Chambers.

FD12 ASSET MANAGEMENT - THE LOAN, SALE OR USE OF GOVERNMENT ASSETS AND ASSET REGISTERS

1. This direction applies to the loan, sale or use of any Isle of Man Post Office asset by an officer, member or third party not covered by the Financial Regulations. It includes the lease of land for a period of less than 21 years, the loan of, the use of, sale or lease of other assets such as plant, equipment, vehicles and intellectual property. It includes any rights granted from which economic value can be derived (for example exclusivity rights or opportunities to earn income). FD29 Land and Buildings Acquisition and Disposal applies to the disposal and long term letting of land and buildings.
2. The Isle of Man Post Office shall ensure that the value of any asset, right or benefit so loaned or disposed of is assessed financially.
3. The Isle of Man Post Office shall ensure that an appropriate process, which may include a tender process in accordance with FD8, is completed for each loan or disposal. The advice of the Attorney General's Chambers (or other qualified advisors) should be sought in relation to tendering exercises. This requires that all benefits so assigned are done under open competitive conditions unless this is impracticable due to the nature of the assignment.
4. The approved limits for tendering, approved by the Board under FD8, must be used when determining the method by which the potential sales or loans are to be made.
5. All loans must be to legal entities who have agreed to provide the associated benefits. Loans cannot be on-lent or otherwise disposed of without the permission of the designated body, or Treasury, depending on the value of the benefit.
6. The Accounting Officer is responsible for putting in place suitable detailed arrangements for the control and safeguarding of land and buildings, plant, machinery, equipment, furniture and fittings (asset register items) under his control.
7. The Accounting Officer shall ensure that an up to date record identifying all asset register items purchased by the Isle of Man Post Office shall be maintained
8. The form in which asset registers are kept is to be determined by the Accounting Officer
9. The asset register shall be updated to reflect all acquisitions and disposals as and when they occur. No item may be "written-off" without the prior written authority of the Accounting Officer.
10. The Accounting Officer shall ensure that, when appropriate, the Government's insurance policies are updated to reflect acquisitions and disposals of asset register items.
11. The Accounting Officer shall ensure that the asset register is checked at least once a year by officers not normally responsible for its custody and control.
12. No motor vehicles, equipment, plant etc. may be used for other than official Isle of Man Post Office business except where authorised in writing by the Accounting

Officer.

- 14.** Items of value with a local historic background or of specific interest to a designated body, which have been donated or loaned the Isle of Man Post Office shall also be recorded in the asset register. Such items should be valued and if the value is significant the Government's Insurers should be informed to ensure that adequate cover will be provided. A full description of such items, with photographs where appropriate, and any donor's wishes should also be held in or with the asset register.
- 15.** Asset Management - In relation to land and/or property leases of less than 21 years and not otherwise covered by FD28 Land and Buildings Acquisition and Disposal, to ensure that the transaction represents good value, prior to any letting, the advice of the Government valuer should be obtained and this advice should be made available to the Board to inform its decision.

FD13 EXPENDITURE CONTROL

1. It is the duty of the Accounting Officer of each designated body to ensure that cost and/or profit centre holders are responsible for their expenditure decisions and an appropriate process is maintained to regularly review the financial performance of the body.

In circumstances where the Isle of Man Post Office proposes to incur commitments to spend monies in future years on Capital Loan schemes, the Isle of Man Post Office must obtain the prior concurrence of the Treasury to such commitments, and in so doing must indicate to the Treasury the projected impact of such commitments upon its future overall expenditure plans.

FD14 FINANCING OF EXPENDITURE, GUARANTEES AND CONTINGENT LIABILITIES

Financing of expenditure

1. The Isle of Man Post Office may not enter into a leasing contract or instalment credit contract to finance expenditure without the prior consent of the Chief Financial Officer of the Treasury. For property leases refer to FD29 Land Acquisition and Disposal.
2. If approval to enter into such a contract with a company based outside the Island is sought, details of alternative quotations obtained from relevant local companies should accompany the request.

Guarantees and Indemnities

3. Where the Isle of Man Post Office is requested to give an indemnity or guarantee in relation to the performance of a third party, the Accounting Officer must, before it does so, consult the Chief Financial Officer and Attorney General's Chambers.
4. Where the Isle of Man Post Office is requested to give an indemnity or guarantee which is not in accordance with normal commercial practice, the approval of the Chief Financial Officer must be obtained before the indemnity or guarantee is given.

Note: the definition of normal commercial practice shall be in accordance with guidelines approved by the Board after having regard to any relevant guidance published by Treasury.

Contingent Liabilities

5. The Isle of Man Post Office must disclose any contingent liabilities (see notes below) to the Chief Financial Officer by 31 March each year.

Note: A contingent liability is

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control: or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that a transfer of economic benefits will be required to settle the obligation: or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

FD15 INFORMATION SECURITY

1. The Accounting Officer shall devise and implement any necessary procedures to ensure adequate protection of data, programs and computer hardware for which he is responsible, from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2002 [Data Protection Link](#) (or any subsequent legislation) and compliance with the principles therein.
2. Accounting Officers are responsible for ensuring compliance with the Isle of Man Post Office Information Security Policy.
3. Personal use of the Isle of Man Post Office's E-mail and Internet facilities is as a general principle subject to the policy and local discretion of each designated body but should be kept to a minimum during normal working hours. The facilities must not be used for the following purposes:-

E-mail – to create, send, receive or store any offensive or disruptive messages or messages that jeopardize the copyright or other intellectual property of any third party.

Internet – to download or upload any offensive information.

All Internet and E-mail (including content) traffic should be logged and made available to the Accounting Officer upon request.

4. Accounting Officers are responsible for ensuring that the Isle of Man Post Office's Information Security Officer, is notified of all breaches of confidentiality, availability and integrity of information handled by IT systems.

FD16 IMPREST ACCOUNTS (INCLUDING PETTY CASH ACCOUNTS)

1. Imprest accounts are bank accounts which are operated by the Isle of Man Post Office where payments are reimbursed from The Isle of Man Post Office number one account to maintain a zero balance. A signed statement of all imprest (cheque or petty cash) accounts held should be provided to the Accounting Officer (or other such officer as may be nominated by the Accounting officer) at least annually.
2. Payments from each petty cash account shall be restricted to settling minor items of expenditure incurred on official Isle of Man Post Office business, which must be supported by adequate third party documentation, e.g. an invoice or till receipt.

FD17 CAPITAL PROJECTS

1. If the Isle of Man Post Office undertakes a capital project or scheme it must observe the Guidelines for the Construction of Business Cases for Capital Projects and comply with the *Procedure Notes for Capital Schemes* issued by the Treasury [Capital Procedure Notes Link](#) and for the time being in force.
2. The Procedure Notes are applicable to all Capital Schemes, including building, engineering and other projects, which are wholly or partially funded or underwritten by the Isle of Man Post Office. See also FD21 – Business Cases.
3. The Procedure Notes apply to all capital projects of £250,000 or more regardless of the source of funding (i.e. revenue/capital/other).
4. Projects below the £250,000 threshold must comply with the principles of the Procedures in consultation with and at the discretion of the Capital Projects Unit, Treasury.
5. If the Isle of Man Post Office wishes to fund any capital expenditure funded through the Isle of Man Governments capital programme, rather than from its own resources, it must seek the formal approval of Treasury prior to making any commitment in this respect.

Note: The Guidelines for the Construction of Business Cases for Capital Projects and the Procedure Notes for Capital Schemes should be kept with these Regulations.

FD18 PUBLIC WORKS FUNDED BY PRIVATE FINANCE

1. If the Isle of Man Post Office intends to carry out any building or construction works in conjunction with or involving private finance, it must obtain prior Treasury approval before any commitment or contractual obligation to undertake the works is given.
2. The full amount agreed to be paid by the source of private finance must be deposited with the Isle of Man Post Office before any works are undertaken, unless a legally binding contract in writing, previously approved by the Board of the Isle of Man Post Office and the Attorney General's Chambers, is concluded between the Isle of Man Post Office and the source of private finance.
3. In exceptional circumstances and with the prior approval of the Treasury, the Isle of Man Post Office may accept a bond instead of a contract under paragraph 2.

FD 19 FINANCIAL IMPLICATIONS OF LEGISLATION

1. If the Isle of Man Post Office promotes primary or secondary legislation it must ensure that any additional costs arising from its implications both throughout Government and beyond are fully identified.
2. Every Bill promoted by the Isle of Man Post Office (except one which will have no effect on public revenue, expenditure or personnel) must be submitted to the Treasury (Corporate Strategy Division) for approval before it is submitted to the Council of Ministers for authority for its introduction in the Legislature. Such submissions must include as full an explanation of any financial and personnel implications as is possible at the time of submission.
3. If, during the passage of the Bill, further information, with regard to financial and or personnel implications becomes apparent such information must immediately be brought to the attention of the Treasury.

Notes:

1. The requirements of paragraph 2 cover all Bills with financial or personnel implications, including those not covered by section 10 of the Treasury Act 1985 (requirement for Treasury approval to Bills authorising expenditure etc.).
2. The explanation of the financial and personnel implications must also be included in the submission to the Council of Ministers.
3. A statement of the financial implications of every public Bill is also required by Standing Order 147 of the House of Keys to be included in the explanatory memorandum of the Bill; a summary of the explanation for the Treasury and the Council of Ministers may be suitable for this purpose.

FD20 BUSINESS CASES

1. Whenever the Isle of Man Post Office is proposing the introduction of a new or enhanced service then an appropriate business case must be prepared for scrutiny.
2. Business cases are applicable to both revenue and capital projects (see FD17- Capital Projects). The basic framework should:-
 - define objectives explicitly;
 - identify options and associated costs and explain resulting decisions;
 - identify and quantify costs and benefits of preferred option;
 - identify and evaluate associated risks

Notes:

1. General assistance and advice or additional copies of the Treasury's explanatory notes:-

Economic Appraisal within the Isle of Man Government can be obtained from the Budget and Financial Management Section, Corporate Strategy, Division Treasury, (Tel. 685601)

Guidelines for the Construction of Business Cases for Capital Projects can be obtained from the Capital Projects Unit, Corporate Strategy Division, Treasury, (Tel 685618)

2. Advice and guidance can also be obtained from the Finance Officer.

FD21 RECEIPTS OF INCOME FROM CREDIT/DEBIT CARD TRANSACTIONS

1. If the Isle of Man Post Office wishes to introduce receipt of payments by credit/debit card it shall undertake a business evaluation to assess the benefits and cost effectiveness of implementing the proposed solution.
2. The business evaluation once completed shall be subject to the approval of the Accounting Officer
3. When considering the approval of business evaluations submitted in accordance with 2. The Accounting Officer shall have consideration of the contents of **Value for Money Guidance Note No. 2 - Receipt of Income from Electronic Transactions**, [Guidance Note 2 Link](#), copies of which are available from the Internal Audit Division of the Treasury. The Accounting Officer shall also consider the impact of the proposed solution on any external accreditations which may be affected (e.g. PCI-DSS)

FD22 INVESTMENTS AND BORROWINGS

1. All investments of money under the Isle of Man Post Office's control must be made in the name of the Isle of Man Post Office or in the name of nominees approved by the Isle of Man Post Office. Bearer securities must be reported to the Treasury.
2. All securities vested in the name of the Isle of Man Post Office or in nominees on behalf of the Board, and all copies of title deeds of land vested in or held in trust for the Isle of Man Post Office (other than deeds which are required to be deposited in the General Registry), must be held in safe custody.
3. All borrowings must be approved by Treasury in advance.
4. The Chief Financial Officer shall maintain records of all borrowing of money by the Treasury.
5. In the event of doubt as to whether the *vires* of a designated body to make any particular investment or borrowing exist, the advice of the Attorney General must be sought.

FD23 VOLUNTARY FUNDS - ACCOUNTING

1. The Accounting Officer shall maintain a register of all charitable and voluntary funds (e.g. school funds, hospital funds, trust funds etc.) administered by or on behalf of, or by any persons under the control of his designated body.
2. Where appropriate, the Accounting Officer shall seek the advice of the Chief Financial Officer on the records and accounts to be kept for each such funds.
3. The Accounting Officer must ensure that proper instructions are given to all officers who control such funds as to the procedures to be followed for the administration of such funds.
4. The Accounting Officer must ensure, after consultation with the Attorney General if appropriate, that such funds are not applied otherwise than for the purposes for which they were provided.
5. All trust funds shall wherever possible be in the name of the designated body, unless the trust deed otherwise provides.
6. All officers of a designated body acting as trustees by virtue of their official position shall deposit all securities and documents of title relating to the trust with the Accounting Officer, unless the trust deed otherwise provides.
7. The Accounting Officer shall ensure that an annual statement (e.g. receipts and payments account) is prepared for every such fund and that proper arrangements are made for such statements to be audited, where necessary.

Note: The above requirements are in addition to the accounting requirements of the Charities Registration Act 1989, if applicable.

FD24 SELECTION AND MANAGEMENT OF EXTERNAL CONSULTANTS FOR NON CAPITAL SCHEMES

1. For the Purposes of this regulation consultancy is defined as “An external organisation or individual commissioned to provide specialist advice, or particular service for the benefit of government delivered in response to a specific brief and within a defined timescale”. Contracts should be used for the appointment of consultants.
2. Before seeking to engage external consultants the Isle of Man Post Office shall carefully consider the reasons why it is necessary to do so. The possibility of using appropriately qualified officers from existing Government sources should be investigated.
3. If, after considering all other options, it is considered justifiable to engage a consultant, the reasons for arriving at that decision shall be documented, and approval shall be obtained from the Board or in accordance with any delegations approved by the Board
4. A budget for the consultancy work should be planned and appropriate arrangements made to record the associated costs. This should also include a process for tracking any KPI’s that have been set as part of the contract.
5. Having gained approval to proceed, clear and concise terms of reference must be produced before tenders (if appropriate – see FD8) or quotations are invited from potential consultants. Invitations to tender should not normally be extended to an individual or body involved in drawing up the terms of reference.
6. The procedures shown in FD8 shall be adhered to and tenders or written quotations sought, if appropriate according to the likely cost of the consultancy. The term of the contract must be specified. Periodic performance reviews of such agreements should be carried out and the frequency of such reviews stated within the contract.
7. Comprehensive criteria should be set to evaluate consultants' offer tenders, such as previous experience and qualifications of the person actually undertaking the work.
8. If an applicant is unknown to the Isle of Man Post Office, references should be sought, where possible, from bodies where the applicant has carried out similar works.
9. The reasons for selecting a particular consultant and rejecting others shall be documented.
10. A formal written agreement must be drafted based on the "terms of reference" and the agreement should be signed by authorised representatives of both the designated body and the consultancy.
11. Target dates should be established for the implementation of accepted recommendations. Formal review procedures should be established to evaluate the consultant's work and to determine whether the work is progressing on time and to budget.

12. The Accounting Officer must submit appropriate documentation in respect of paragraph 11 to the Assessor of Income Tax for review before any payment is made to a consultant. Where the Assessor is content that a contract for service (external organisation or self-employed individual) is in place, approval may be given for gross payments to be made to the consultant. Where the Assessor rules that a contract of service (employed individual, office holder or personal service company), instructions will be given to the Accounting Officer regarding the deduction of ITIP and National Insurance contributions from payments made to the individual or entity

Notes:-

1. Procurement practice note 5 – **Getting Value from Management Consultants** contains more comprehensive advice and guidance is available on request from Procurement Services, Treasury.
2. For capital schemes see the **Procedure Notes for Capital Schemes** [Capital Procedure Notes Link](#)

FD25 CORPORATE GOVERNANCE AND RISK MANAGEMENT

1. The Accounting Officer shall ensure conformity with the principles embodied within the **Corporate Governance Code of Conduct** [Corporate Governance link](#)
2. The Accounting Officer shall ensure that the designated body has a programme of risk management which shall include:
 - a) a process for identifying and quantifying risks and potential liabilities;
 - b) engendering among all levels of staff a positive attitude towards the control of risk;
 - c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover and decisions on the acceptable level of retained risk;
 - d) contingency plans to offset the impact of adverse events;
 - e) review arrangements including quality audit and health and safety assessments;
 - f) arrangements to review the risk management programme.
3. The Accounting Officer will provide a Statement on the effectiveness of Internal Control to the Treasury on request in such a form to be agreed by the Chief Financial Officer.

FD26 INFORMATION COMMUNICATIONS TECHNOLOGY (ICT)
GOVERNANCE

1. The Accounting Officer shall ensure that appropriate governance arrangements are put in place to control investment in ICT and the Board of the Isle of Man Post Office shall ensure that such arrangements are adhered to.
2. All projects which meet the criteria laid out in the terms of reference (or other such document as the Board may decide) for the ICT sub-committee of the Board shall be subject to oversight and governance by the committee or other body as the Board may decide.

The terms of reference for the ICT sub-committee may be obtained from the Chief Executives PA Tel: 698402

FD27 FOREIGN CURRENCY TRANSACTIONS

1. All contracts and purchase orders should be denominated in sterling (GBP) wherever possible.
2. Where this is not possible and the contract or order value exceeds, or is expected to exceed, the equivalent of £250,000, the Accounting Officer shall be informed in writing of the contract or order in advance of any commitment and the Isle of Man Post Office shall take steps to mitigate the currency risk arising.
3. The currency risk should be mitigated in accordance with the Currency Hedging Practice Note and any instructions issued by Treasury from time to time.
4. It remains the Isle of Man Post Office's responsibility to ensure any currency risks are managed throughout the procurement process.

For the avoidance of doubt, foreign currency purchased and sold purely as a result of the Isle of Man Post Offices retail foreign currency business will not be subject to this direction

Note:the Currency Hedging Practice Note can be obtained from Treasury Finance Division's Investment and Banking Section. Tel: 685588.

FD28 LAND – ACQUISITION AND DISPOSAL

1. The Isle of Man Post Office shall comply with the Statutory Boards Act 1987 which sets out provisions relating to the acquisition and disposal of property. The Isle of Man Post Office may acquire, hold and dispose of real and personal property and accept any gift, devise or bequest of real or personal property. However the Isle of Man Post Office may not dispose of land without the consent of the Treasury except in circumstances set out in section 6.4 and 6.5 of the Statutory Boards Act 1987.

Acquisition

2. All freehold and leasehold acquisitions of land and buildings except for inter government transactions and subject to paragraph 5 (e) below should be at Market Value (MV) or Market Rent (MR), defined in the RICS Valuation Standards as:

Market Value (MV):

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the properties had each acted knowledgeably, prudently and without compulsion.

Market Rent (MR):

The estimated amount for which a property, or space within a property, should lease on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms, in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

- a) the above will be subject to any onerous conditions imposed by the acquiring Department or Statutory Board or other designated body.
- b) the above does not apply to the compulsory or voluntary acquisition of land which is subject to compulsory purchase
- c) If there are exceptional circumstances it should be formally recorded that the Board has authorised acquisition at above Market Value or Market Rent and prior written approval from Treasury must be sought for such a course of action.

Disposal

3. The Isle of Man Post Office shall comply with the Council of Ministers' policy for the disposal of land which is set out in paragraph 6 below. For the purposes of this direction disposal means sales or grant for sale and lettings over 21 years. Treasury approval to the chosen method of disposal must be sought in advance of negotiations if the disposal is not by open market sale.
4. The policy on the disposal of land does not apply to any letting for a term of 21 years or less. Refer to 6 below and FD12 Asset Management – The Loan, Sale or Use of Government Assets.
5. The Strategic Asset Management Unit, Department of Infrastructure should be informed when the disposal of land and/or property is being considered.
6. Council of Ministers' Policy on the Disposal of Government Land (Revision August 2006) is set out below.

- (a) All sales or long term letting (over 21 years) to bodies outside Government should generally be at the prevailing market value;
- (b) Property which is for sale by Government Departments or Statutory Bodies should be publicly advertised and be subject to open sale, tender or auction, unless exceptional circumstances apply. In such exceptional circumstances it should be formally minuted that the Board or Minister has authorised that an alternative method of marketing can be adopted, and that Treasury has approved such a course of action;
- (c) Where property is to be publicly advertised and be subject to open sale, tender or auction, a written contract should be drawn up with the successful agent which sets out the commission to be charged, the method of marketing to be used and the requirement for the agent to retain sufficient documentation to record those persons or bodies who have been contacted or expressed an interest;
- (d) Departments or Statutory Boards are to confirm that other Government bodies have no interest in acquiring the land to be sold or let;
- (e) Sales between Government Departments and/or Statutory Boards will generally be at market value where a change of use of the land is proposed and for a nominal sum where there will be no change of use, or for such other amount approved by the Treasury. In every case, Treasury approval to the sale is required;
- (f) Sales from Government Departments or Statutory Boards to Local Authorities are to be at a sum approved by the Treasury;
- (g) The Government Valuer is to provide market valuations in respect of all sales or letting;

Treasury may approve cases which comply with conditions (a) to (g). If this policy cannot be fully complied with, the approval of Treasury and Tynwald must be obtained to the disposal unless the selling price/ value is less than £100,000 in which case Treasury approval only is required.

Leases

- 7. The Isle of Man Post Office must seek the advice of the Government Valuer and the Attorney General's Chambers when entering into lease arrangements for land and property either as lessor or lessee.

FD29 CONFIDENTIAL PAYMENTS

1. It is the general policy of the Board that no confidential or Ex-Gratia payment shall be made without the prior written approval of the Board. Payments which are subject to a confidentiality agreement which prevents the Isle of Man Post Office from disclosing details of the payment shall be subject to the prior approval of the Treasury
2. This policy is made solely in connection with agreements to settle employment disputes concerning officers. It specifically does not relate to any aspect of the supply of goods or services made under a tendered contract or to payments which may be made by law enforcement organisations in the recruitment of covert human intelligence sources. Treasury acknowledges that there will be legal circumstances which may warrant the inclusion of a confidentiality clause within a settlement agreement and in such a situation advice or counsel must be obtained from the Attorney General's Chambers.
3. When consulting with Treasury over a proposal to make a confidential payment, the consultation document must be supported by a signed approval of the Chairman of the Isle of Man Post Office, on behalf of the Board, and written advice or counsel from the Attorney General's Chambers. A settlement agreement may be embodied in a formal Court Order containing a "gagging" clause.

FINANCIAL REGULATIONS

PART 2

GUIDELINES

FG1 FINANCE OFFICERS

1. The Isle of Man Post Office should have an officer designated as Finance Officer. The Finance Officer is to report directly to the Accounting Officer, and is to be the Isle of Man Post Office's chief adviser on all financial matters. His responsibilities include:-
 - a. **financial planning:** the provision of financial management information for financial forecasting and planning arrangements to allow policy priorities to be determined and financial resources allocated within the total resources available to the designated body;
 - b. **value for money:** seeking to give better value year by year for resources by relating inputs of cash and other resources to the output they achieve;
 - c. considering the **full cost** of activities and outputs;
 - d. establishing **links** between performance reviews and evaluations with planning and preparation of estimates;
 - e. **giving advice** to managers on policy proposals;
 - f. **Capital project appraisal:** giving advice and assistance to line managers in the appraisal of capital and other projects to ensure both compliance with these Regulations and informed decision-making within the designated body.
 - g. **budgeting:** maintaining procedures to ensure that correct and accurate information is available to meet the needs of the annual programme.
2. The designated body's Finance Officer is expected to carry out the responsibilities of the Responsible Financial Officer as defined in the Audit Regulations.
 - a) The Finance Officer is responsible for the preparation of published financial statements.
 - b) Where a Finance Officer is concerned that they are unable to fulfil their obligations under the Accounts and Audit Regulations they should set out such concerns in writing to the Accounting Officer who should inform the Chief Financial Officer of the Treasury.

Notes:

The above responsibilities are not intended to be comprehensive but are intended to give a flavour of the important responsibilities a Finance Officer is expected to discharge. The emphasis should be on the development of financial control systems to encourage value for money and better use of resources rather than day to day involvement in basic book-keeping.

FG2 AUTHORISATION

1. The Accounting Officer is responsible for issuing various certificates, orders and authorities. He may authorise a subordinate to sign on his behalf.
2. An up to date register of all officers authorised to sign on behalf of an Accounting Officer should be maintained within the designated body.
3. Rubber stamps or other pre-printed signature arrangements are not acceptable as proper authorisation.
4. Officers of the Isle of Man Post Office may be required to carry an identity card issued by the Accounting Officer. Officers may be required to produce their identity card to any member of the public or to other officers having reasonable cause. The card should be carried on the officer's person at all times and surrendered when he ceases to be employed by the Isle of Man Post Office or at the request of the Accounting Officer

FG3 OFFICIAL ORDERS FOR WORK AND GOODS

Official Orders

1. Isle of Man Post Office orders should be used in the following manner:-
 - a) original copy should go to the supplier.
 - b. a copy should be endorsed as evidence that the goods have been received and should be attached to the supplier's invoice when it is passed for payment, unless the controls within a computer generated system provide an alternative control;
 - c)
 - i. **Hard-copy Order Books**
a copy showing originator's signature and the date of order should remain in the book. This copy should be endorsed to show goods have been received and that the supplier's invoice has been passed for payment with the appropriate expenditure details recorded thereon.
 - ii. **Computer Generated Order**
a record of receipt and the date passed for payment should be retained for audit purposes.
2. Suppliers' invoices for part orders can be passed for payment. However, a record should be retained of descriptions and quantities of the goods received and authorised for payment and of the goods still outstanding for delivery.

Purchasing Cards

3. The Accounting Officer should include the following within their instructions for the control and use of purchase cards:
 - a) Each cardholder should maintain a personal log of all card transactions in which should be recorded details of each purchase, including the value and description of the goods and the Job or Cost Code the goods will be charged against;
 - b) Goods should only be purchased from suppliers approved by the designated body;
 - c) Documents issued by the supplier in support of the purchase (till receipts, delivery notes, invoices etc) should be retained and compared with the transaction details in the transaction log and with monthly statements;
 - d) Monthly statements should be checked by cardholders to confirm:
 - goods detailed were received
 - quantities are correct
 - values match till receipts, invoices etc.
 - there are no erroneous entries
 - expenditure code (job code / cost centre code etc) is included.

- e) Line managers should check statement to ensure:
- goods were purchased for legitimate purposes
 - goods were received
 - costs are within transaction limits
 - Transaction Log is attached to statement and details on the Log agree with statement.
- f) Once checked the cardholder and the line manager should sign the statement and pass it to the designated body's finance office for processing.
- g) Purchase card expenditure should be charged to departmental expenditure codes in the month that the purchase card statement is received.
- 4.** The Accounting Officer should include the following within their procedures for the control of the purchase cards.
- a) That a register be maintained for all cardholders containing details of:-
- i) Name and post of the card holder;
 - ii) The date the card was issued and when returned;
 - iii) The limits and restriction applied to that card.
- b) That a regular review is carried out, at least annually, of each cardholder's limits

FG4 PROTECTION OF PRIVATE PROPERTY

1. The Accounting Officer should ensure that proper records are maintained of all valuables (such as jewellery, watches and other small articles of a similar nature, and documents of title) belonging to persons in the care or under the supervision of his designated body, in order to prevent or mitigate loss of or damage to such property.
2. Where a person in the care of or under the supervision of a designated body leaves without claiming his personal property every effort should be made to re-unite the property with its owner, next of kin or executor of a will in the case of a deceased person.
3. In the absence of any specific statutory power or duty any property remaining unclaimed may be disposed of after the following periods of time:

1 Week

Cheque Book, Credit card, Banking Cards - return to source banking organisation.

1 Month

- Money - to be invested and be available to claimants for a further 6 years after which the monies will be dispersed as advised by the Accounting Officer.

1 Year

- Clothing/Footwear/Accessories etc. -donate to local charity.
 - Jewellery - Offer for sale after period of public notice advising that items of jewellery are to be sold (by – date) and that any person claiming to be the owner should contact the department. The proceeds of the sale should be invested and be available to claimants for a further 5 years.
4. The Accounting Officer should ensure that adequate records of all disposals linked to the individuals concerned are retained.

FG5 DEBTORS

1. As far as possible, debtors' accounts must be prepared and sent out by an officer who will not be involved in receiving the monies due.
3. Once a debtor account has been paid it should be endorsed to that effect and provide details of cheque number, receipt or reference number and date.
4. Debtors should not be encouraged to settle their accounts by instalments. However, if this settlement method is to be followed due to exceptional circumstances, then an instalment agreement must be established and payments monitored against it.
5. The Isle of Man Post Office should carry out a proactive debtor collection and enforcement procedure commensurate with the nature and value of the debt and which is commenced on a timely basis. This should include the sending of statements on a monthly basis, making direct contact with the debtor by telephone, electronic means or in person. If the debt remains unpaid after 3 months and no progress has been made:-
 - a. refer the matter to the Attorney General provided every other avenue has been explored; and
 - b. Wherever possible, ensure that no further services are provided to the debtor in question until the account is paid or that such services are paid for in advance in cash.
6. Invoices should set out clearly the consequences of non-payment. These consequences should be reinforced at every stage of the proceedings (reminders etc.).
7. Guidance on when to pursue debts to the point of liquidation or bankruptcy, including guidance on *de minimus* limits should be decided in consultation with the Attorney General.

FG6 ACCOUNTING SYSTEMS

1. It shall be the responsibility of the Accounting Officer in consultation with the Board to ensure that accounting and financial record systems are established and maintained for:-
 - a) the compilation of detailed accounting records; and
 - b) the continuous production of financial management information;
2.
 - a) All accounting records will be retained for a minimum of 6 years to comply with the Statute of Limitations Act and VAT regulations.
 - b) Payroll records must be retained for a minimum of 13 years to enable the correct calculation of pension benefits under statutory pension scheme rules and regulations.

FG7 PAYMENT OF SALARIES AND WAGES

1. The Accounting Officer is responsible for -

Ensuring that the correct status for income tax and national insurance purposes is determined for all officers for whom they are responsible, and where there is any doubt, ensuring that the Assessor of Income Tax is consulted;

- a. confirming the accuracy and validity of all deductions from pay including national insurance and superannuation contributions;
- b. distributing the pay advices to all officers for whom he is responsible;
- d. maintenance of Isle of Man Post Office personnel records and other records dealing with flexitime, sick leave, annual leave, unpaid leave and overtime.

Certification

2. The certification of a payroll input document signifies that -

- a. the person concerned is a bona-fide officer of the Isle of Man Post Office and authority for his employment exists.
- b. the officer is being paid the correct rate of pay/salary for the grade of job.
- c. all allowances and additional payments are made in accordance with regulations.
- d) the officer has worked the number of hours (per week/month) as specified in his contract or shown on his timesheet.

Method of Pay

3. All new staff should be paid by BACS on a weekly or monthly basis dependant on contract
4. The retention of weekly payroll should normally be restricted to those categories of personnel employed on a casual basis

FG8 CHEQUES

- 1.** The Accounting Officer is responsible for ensuring that arrangements shall be put in place for the appropriate control, safe custody and ordering of cheques.
- 2.** Cheques being sent to off Island addresses should be despatched in plain envelopes and not in window envelopes if it is evident that the enclosure is a cheque.

FG 9 POST OPENING AND RECEIPT OF MONIES

These arrangements will apply where the Isle of Man Post Office is receiving monies and opening mail on its own behalf. Where these activities are being performed as part of a service to a third party, the arrangements to be followed shall follow the terms of the relevant contract

Post opening

1. Where the Isle of Man Post Office regularly receives remittances in payment of sums due to it through the mail then post should always be opened in the presence of at least two officers who should immediately ensure that all cheques, postal drafts and similar remittances are dealt with in accordance with relevant procedures..
2. All remittances received should be recorded as soon as the post is opened. The record should specify date of receipt, payer name, amount paid and type of remittance.
3. Special arrangements should operate within Isle of Man Post Office as may be prescribed from time to time to handle any high volume of monies within their remittances. In these cases post opening should be supervised by an officer, ideally not below the grade of C04 who preferably should take no part in the post opening process.
4. The remittance record should be signed by the post opening supervisor (see paragraph 3), or another third party if the post opening has not been supervised, after ensuring that it agrees to the remittances received.
5. Care and attention should be given to ensuring postal sacks and envelopes are emptied of all contents. Bins containing emptied envelopes must be checked at the end of post opening to ensure no correspondence has been thrown away in error.
6. Receipts for cash, cheques and postal drafts received by post need only be issued on request (the records mentioned in paragraph 2 obviate the need for issuing receipts).
7. Wherever possible no member of the post opening team should leave the post opening area whilst post opening is in progress.
8. These procedures should be reviewed periodically to ensure their continued relevance.

Receipt of monies

9. The receipt of all remittances should be recorded at the time of payment. A serially numbered receipt should always be issued for cash received directly from the public. Receipts need only be issued for cheques and postal drafts on request.
10. The Accounting Officer or a nominated deputy should ensure that the total value of monies receipted in a specific period is in accordance with the value of bankings made.
11. All receipting stationery should be supplied by the Isle of Man Post Office in a form agreed with the Chief Financial Officer.

- 12.** The Accounting Officer should ensure that all receipt books issued by the Chief Financial Officer or Isle of Man Post Office can be accounted for.

FG11 CASH CONTROL

This guideline does not apply to cash taken over the counters as part of the normal day to day operation of the Isle of Man Post Office's retail network. In these circumstances approved Counters operating procedures must be complied with.

1. Proper acknowledgement should be given when amounts of cash are passed from one officer to another officer (eg. allocations of cash floats, receipt of cash from collecting officers).
2. Each officer collecting cash should have separate collecting facilities (cash drawer, till etc.).
3. At the end of each shift, each officer collecting cash should count what has been taken and officially record it. All overs and unders for every shift must be listed.
4. The Accounting Officer is responsible for ensuring that all cash collected is physically secure from theft or misappropriation from the time it is collected until it is banked.
5. The Accounting Officer should ensure that the amounts of cash held within his department do not exceed the insurance cover.
6. Each Accounting Officer should introduce procedures to ensure that all cash collected and held in his department, that is, not banked immediately, can be fully accounted for.
7. All forms of financial stationery used to receipt cash collected should be serially numbered and properly controlled.
8. A lockable safe should be used for the temporary storage of cash and other valuables.
9. Accounting Officers should retain a register of those persons issued with keys or to safes and strong-rooms. Officers issued with such keys should carry them on their person at all times and report any loss or theft immediately.
10. Where combination safes are used the Accounting Officer should maintain a register of persons knowing such combinations. Officers given access to safe combinations should not divulge the combination number to any other person nor should they keep a written note of the combination.
11. Duplicate keys should be held by the by the Accounting Officer or an officer so delegated for this duty by the Accounting Officer.
12. Duplicate keys should only be used by the Accounting Officer or delegated officer/s. If however a duplicate key is issued temporarily to another officer, details of the transfer should be recorded and the officer's signature obtained.
13. Safe combinations should be changed at least annually.
14. All keys must be surrendered by an officer upon ceasing employment.
15. Where fitted, burglar alarms should be tested at regular intervals.

Notes:

1. Accounting Officers should ensure that officers who as part of their duties have to carry cash for banking or transfer between offices are accompanied wherever possible.
2. In appropriate circumstances designated bodies may consider using an approved security firm for the transfer of cash.
3. Approved retail network operating procedures can be obtained from the Counters Network Manager.

FG12 USE OF ISLE OF MAN POST OFFICE ASSETS

1. Motor Vehicles

- a. The Accounting Officer should ensure that not only the cost of Isle of Man Post Office vehicles and their use is kept to a minimum but also the number of vehicles in the fleet is justified from an operational viewpoint.
- b. The Accounting Officer, or his nominee, should maintain an inventory of all motor vehicles.
- c. The Accounting Officer shall ensure that appropriate arrangements are in place to record mileage for each vehicle on the inventory and that the driver of each vehicle may be identified at any time. Mileage records must be available for inspection at any time by either officers of the Isle of Man Post Office or the Treasury. The use of any motor vehicle on the inventory is taken to mean that the journey is authorized and necessary in the conduct of Post Office business.
- d. The Accounting Officer will put in place suitable systems to review and monitor mileage records, they should also be made available for periodic review by officers of the Treasury.
- e. Officers provided with a vehicle as part of their overall remuneration package or who have the use of a vehicle will be liable for benefit in kind taxation as per the Practice Notes issued by the Assessor of Income Tax. Officers enjoying the benefit of a vehicle as part of their remuneration package should have such an entitlement included within their contract of employment or appointment letter which contains the substantive terms and conditions of the contract. A copy of which should be forwarded to the Assessor of Income Tax.
- f. Officers will also be liable for private mileage whether using a designated vehicle or a pool vehicle. Private mileage includes trips between an officer's place of work and home.
- g. Private mileage contribution rates will be at the rate determined by the Board of the Isle of Man Post Office from time to time. In setting these rates the Board shall have consideration for the rates approved for this purpose by Treasury (see FG12)
- h. Accounting officers should provide the Assessor of Income Tax details of all its non exempt vehicles which were used by the designated body's officers regularly or casually for private journeys other than home to duty mileage. Forms T9 should be completed for those officers who have had the use of a vehicle for private purposes. The Forms T9 should be completed after 5th April annually and submitted, with the Annual Employers Return (Form T37), to the Assessor of Income Tax by 5th May each year
- i) The Isle of Man Post Office will not undertake to meet any obligation for Benefit in Kind taxation in respect of its officers.
- j) Accounting Officers should ensure compliance with the Isle of Man Post Office **Vehicle Fleet Management Corporate Policy** for each vehicle acquired.

Note: Further information and details of current benefit in kind vehicle, mileage and fuel rates are contained within the **Value for Money Committee's Guidance Note No.3 - Motor Vehicles (private mileage contributions)**, copies of which are available from the Internal Audit Division of the Treasury. [Guidance Note 3 Link](#)

2. Equipment

Equipment should not be lent free of charge. Any officers or third party borrowing equipment for purposes other than bona fide Isle of Man Post Office business must reimburse the designated body with a sum equivalent to the hire charge of that equipment were it to be hired from a private business.

3. Postage

Envelopes bearing Isle of Man Post Office indicia must only be used for Isle of Man Post Office official mail.

4. Photocopiers

- a) Careful checks should be kept on all use of photocopiers to ensure that it is compatible with the amount actually required.
- b) Where copies are made by an officer for non-Isle of Man Post Office purposes, a charge commensurate with the cost of obtaining the service from a private business should be made by the officer and paid to the Isle of Man Post Office.

5. Telephones

Office

- a) Personal telephone calls, whether incoming or outgoing, should be kept to a minimum. Officers should record the details of any personal telephone calls which extend beyond the local exchange network and the cost of such should be reimbursed to the designated body. Accounting Officers should undertake periodic checks of the volume and cost of calls made from each extension.

Home

- b) Where the Accounting Officer requires an officer to have a home telephone for operational purposes (e.g. for call-outs), the Isle of Man Post Office is to pay the quarterly rental for one line only (exclusive of any unit charges for telephone calls). Payment will be made through the normal expenses reimbursement system
- c) If the officer has no home telephone and is required to have one installed for operational purposes, the Isle of Man Post Office may pay the installation charge.
- d) Where an officer finds it necessary to use his home telephone for work related calls (e.g. a foreman calling out a tradesman) a specific log of these telephone calls should be kept including their date, time and purpose. These calls will be paid for in addition to the rental charges.

- e) Reimbursement to all officers for the gross cost of telephone calls made (including the VAT element) will again be made via the normal expenses reimbursement system. Under no circumstances should reimbursement be made via the Isle of Man Post Office payments system or a petty cash account. The responsibility for paying the quarterly telephone bill rests with the officer concerned.
- f) A list of all officers who receive reimbursement should be maintained by the Accounting Officer. The list should be reviewed it periodically to ensure all officers listed still warrant the payment of this allowance.
- g) Under normal circumstances officers who have been issued with mobile phones should not have their home telephone rentals paid by their designated body.

Mobile Phones

- h) The Accounting Officer should ensure that all mobile phones for their designated body are procured and allocated in accordance with the conditions and guidelines of the relevant contract.
- i) The Accounting Officer should ensure full compliance with both departmental and corporate mobile phone policies.
- j) Officers should ensure that contributions in respect of personal usage are reimbursed on a regular basis and be aware of the user guidelines.

6. Subsidised Accommodation

- a) Officers provided with subsidised accommodation as part of their overall remuneration package will be assessed for benefit in kind taxation as per the Practice Notes issued by the Assessor of Income Tax. Officers enjoying the benefit of subsidised accommodation as part of their remuneration package should have such an entitlement included within their contract of employment or appointment letter which contains the substantive terms and conditions of the contract. A copy of which should be forwarded to the Assessor of Income Tax.
- b) The Accounting Officer should provide the Assessor of Income Tax details of all its non-exempt subsidised accommodation provided for the benefit of officers. The Isle of Man Post Office will be assessed for 'Living Accommodation' Benefit in Kind taxation only at the higher tax rate. Forms T9 should only be completed for those officers provided with subsidised accommodation as part of their remuneration package. The Forms T9 should be completed after 5th April annually and submitted, with the Annual Employers Return (Form T37), to the Assessor of Income Tax by 5th May each year.
- c) The Isle of Man Post Office should not undertake to meet any obligation for Benefit in Kind taxation in respect of its officers.

7. Leased Accommodation

- a) The Accounting Officer should obtain the advice of the Government Valuer in respect of rent reviews for Government property which is leased to third parties.

FG13 DISPOSAL OF ASSETS

1. The removal of any item from an inventory/asset register should be supported by a letter, certificate or other document which should be signed by the Accounting Officer or other officer so authorised for this purpose.

- 2.
- 3.

Obsolete items with little or no re-sale value (less than £100 accumulated if a number of items) – should be sold as scrap if cost effective otherwise dispose of as general waste. Should it be proposed that items with greater apparent value than £100 accumulated be sold as scrap or otherwise disposed of as general waste then the approval of the Accounting officer must be obtained in advance.

Items which are serviceable but because of their age or condition are unlikely to attract bidders from the general public may be offered for sale within the Post Office or to Government officers. Prior to offering disposing of items in this manner the written approval of the Accounting Officer must be obtained and noted for audit purposes

4. **Office Furniture** - in reasonable condition but with little re-sale value should be disposed of following paragraph 2. An alternative is to offer the assets to other designated bodies of Government or major charitable organisations, however guidance must be obtained from the Accounting Officer of Finance Officer prior to making any donations to Charity
5. **Computers and Office Equipment** - Items should be disposed of in accordance with the general policy given in paragraph 2. An alternative is to contact the Emergency Planning Officer (Department of Home Affairs) who, on behalf of the Overseas Aid Committee, despatches such equipment to third world countries. If all else fails dispose of as at paragraph 2 above. Prior to disposing of any computer equipment ensure all files and software applications held under license are deleted. The Information Systems Manager should be consulted on this matter to ensure that hard drives and other memory locations are wiped clean, that no Data Protection offences are committed, that no confidential information is lost and that all IT equipment is disposed of correctly.
5. **Items with a re-sale value** - should be sold either by seeking formal tenders or by auction through recognised organisations. If such items could potentially cause a health or safety risk (Plant, electrical equipment etc.) they should be sold as seen with any known faults disclosed and a letter or certificate indemnifying the Isle of Man Post Office against a future claim should be obtained from the purchaser prior to the transference of ownership.
6. **Land / Buildings** – The Isle of Man Post Office may not dispose of land or buildings without the consent of the Treasury. Prior to seeking such consent the Isle of Man Post Office should have the land or building independently valued and/or confirmed by Treasury's Valuation Section. The Isle of Man Post Office must comply with the Land Disposal Policy included in FD29 Land – Acquisition and Disposal.

Notes:

1. The cost effectiveness of whatever method of disposal is being proposed should be carefully considered and if the costs in staff time, advertising for tenders or auction house fees are likely to outweigh monies received, then the items should be offered to other designated bodies of Government, or to charities, or disposed of as scrap or waste.
2. Persons recommending the sale of items for disposal should have no involvement with the sale procedure if they intend making a bid price for the items being sold.

FG14 STOCKS AND STORES

1. The Accounting Officer shall be responsible for the custody, care and physical control of the stocks and stores and the maintenance of adequate stock records.
2. Stores in excess of reasonable requirements, as ascertained by experience, must not be carried. Regular physical checks of stocks and stores against relevant records must be carried out and verified by officers **not** normally responsible for their custody, care and physical control.
3. Any substantial surpluses or deficiencies revealed in any items of stock at any stock-taking shall be reported to the Accounting Officer, so that the necessary authorities and decisions can be obtained.
4. Wherever possible, depots holding substantial quantities of similar stocks should liaise in order to see whether merging their stock holdings is feasible, to reduce the amount of capital tied up, and to improve their purchasing power.

FG15 INFORMATION SECURITY

1. Advice and guidance regarding information security as contained within the Government's approved **Code of Best Practice for the Maintenance of Information Security** [Code of Best Practice Link](#) is available from the Department of Economic Development's Information Systems Division.
2. Advice and guidance specifically regarding usage of the Isle of Man Post Office's E-mail and Internet facilities are contained within the **ICT Email internet minimum standards policy, available in the shared policies folder on the Post Office network** (which are also available from the Head of Information Systems
3. Additional local policies associated with information security should be documented and clearly notified to all relevant staff and/or, the policy should be prominently displayed for the notice of all staff and visitors.

FG16 IMPREST ACCOUNTS (INCLUDING PETTY CASH ACCOUNTS)

1. The Accounting Officer should decide how many of his officers need an imprest (cheque or petty cash) account to carry out their normal duties, and should regularly review the need for each imprest account.
2. The Accounting Officer is responsible for the proper administration (including safeguarding the cash held on premises) of each imprest account within his designated body.
3. Where it is considered that an imprest (cheque or cash) account is no longer needed (and the need should be reviewed on a regular basis) details should be provided to the Accounting Officer.
4. All officers administering imprest accounts (cheque or cash) should be conversant with the requirements of FG11.
5. Imprest cheque accounts should not, normally, be used for the payment of creditors, travel or subsistence, or any reimbursement to members of staff, unless the reason for doing so is an **exceptional** circumstance (see FD4.1)

FG17 COMMERCIAL SPONSORSHIP

1. The Isle of Man Post Office should consider the appropriateness of commercial sponsorship on a case by case basis.
2. The involvement of commercial sponsors is most appropriate in circumstances where a one off event is being considered, such as a:-
 - research project
 - award scheme
 - conference/seminar or training event
 - established sporting event
 - art/culture/heritage event
3. Lengthy ongoing relationships between a designated body and a sponsor should generally be avoided as a change in a company's circumstances or reputation could lead to contractual problems. Where long term relationships are judged to be beneficial by the Accounting Officer, periodic checks should be undertaken to ensure the sponsor's ongoing good standing.
4. A commercial concern should not be considered as a sponsor if:-
 - it is involved in the sale or promotion of goods or services or engaged in activities which conflict with the aims and objectives of the Isle of Man Post Office or other designated bodies of the Isle of Man Government in general;
 - it would give it an overtly advantageous or preferential position in a competitive marketplace which may be viewed by competitors as a distortion of fair competition;
 - its financial position is less than secure;
 - it possesses a dubious reputation for commercial propriety (can be checked with appropriate regulatory body such as Financial Supervision Commission);
 - if the company name or image is not appropriate ("good taste") to the service the designated body provides.
5. Details of a sponsorship deal should be documented and signed by all parties involved in the agreement.
6. The Accounting officer must ensure that follow up compliance inspections to ensure that the terms and conditions of any FD8 waiver as specified by Treasury or the Board are complied with.
7. Where a third party is in control of public funds (for example, through a client account), adequate due diligence should be carried out by the Isle of Man Post Office on the company beforehand and should be measures put in place to ensure that the third party does not hold full control of any funds.

Note: The above guidance is not intended to be exhaustive or prescriptive. The Accounting Officer or officers authorised by him to consider sponsorship offers or to seek sponsorship agreements should always take a broad view and try to ensure that

benefits for the Isle of Man Post Office do not turn out to be a liability for another designated body of Government.

FG18 – BOARD COMMITTEES AND BOARD PROCEEDINGS

1. Where the Board of the Isle of Man Post Office sets up a committee or subsidiary company, the minutes of meetings of those committees or companies should be placed on the agenda of the next Board Meeting for formal noting.
2. Board Members should ensure that minutes record not only decisions, but also information (either in the minutes or as separate documents appended to the minutes) provided by the Chief Executive or other officers on which those decisions were based.
3. It is not acceptable for the minutes to merely record that the Chief Executive or another officer reported verbally on the Accounts if there is no record of what was said and no financial information is included in the agenda papers. The accounts of the business must be presented to the Board at regular intervals, at the very least every 3 months, and a record of this should be made in the minutes of the Board
4. If financial decisions are made about which Treasury should legally, or as a courtesy, be informed, it must be recorded in the minutes that Treasury has been so informed in writing. It must not be assumed by the Board that Treasury has been informed, based only verbal assurance to that effect by an Officer