

**MINUTES OF PERFORMANCE AND AUDIT COMMITTEE ON 15 MAY 2015**

**PA6 FINANCIAL REGULATION REVIEW**

The committee received the draft revised Financial Regulations. These had been last formally approved in 2011 and set out the rules by which the Council's financial resources and systems should be managed and operated. The regulations had been reviewed by the Assistant Chief Executive – Finance in consultation with CMT and Internal Audit. Although most of the clauses were still relevant, the report highlighted the changes required to reflect the current working practices of the council.

Members raised the following issues.

The Chairman asked about the internal controls that were in place for approving transactions and asked whether there was a schedule of authority underpinning the regulations. It was explained that there was a proper scheme of delegation, which identified the staff that were authorised to place orders and make payments and set out the limits of their authority.

Members asked if there was consistency across the organisation and were advised that the Procurement Manager had an oversight of this process and made sure that level of authority in terms of staff responsibility and pay scales was broadly similar across all departments.

Members asked about the treatment of year end balances. The Assistant Chief Executive - Finance advised that there had been only a handful of slippages over the last year and the budget outturn report would be considered by Cabinet on 25 June 2014.

Referring to the treatment of the council's assets the committee agreed that £10k was a sensible lower limit for the inclusion of fixed assets in the asset register. Members were reassured about how items below this limit were recorded.

In relation to the write off of stocks and stores, Councillor Jones questioned whether the wording of the regulations was tight enough to prevent desegregation for write off purposes. It was AGREED that a new clause would be included to prevent desegregation for the purpose of write-off limits.

In relation to intellectual property it was suggested that there should be a clause in the UDC employment contract to state that the council

would own anything developed by the employee when employed by the council.

It was confirmed the council no longer dealt with petty cash. Small purchases were made with the council's credit card. It was confirmed that there were about 20 cards in use; it was a transparent and well controlled process.

**RECOMMENDED** that the revised Financial Regulations including the additional clause in relation to stocks and stores, as set out above, be recommended to Full Council for approval.