

**Committee: Performance & Audit**

**Agenda Item**

**Date: 15 May 2014**

**6**

**Title: Financial Regulations review**

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Item for decision

### **Summary**

1. Financial Regulations set out the rules by which the Council's financial resources and systems should be managed and operated. They were last formally reviewed and approved in July 2011.
2. The Regulations have been reviewed by Officers in order to ensure that they remain relevant and fit for purpose. A few changes are being recommended as set out below.
3. The revised Regulations are attached. The Committee is requested to review and endorse the document, for approval by Full Council on 15 July.

### **Recommendations**

4. The Committee is requested to review the revised Financial Regulations and subject to any comments approve them for recommendation to Full Council on 15 July.

### **Financial Implications**

5. None.

### **Background Papers**

6. None.

### **Impact**

Communication/Consultation	CMT and Internal Audit have been consulted.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Review of Financial Regulations

7. The Assistant Chief Executive – Finance has reviewed the document in consultation with CMT and Internal Audit. The vast majority of the clauses were felt to remain fit for purpose. In some cases changes were needed to reflect changes in working practices in the Council.
8. These are the changes made (highlighted in red in the attached document):
  - Replacement of references to the Strategic Management Board (SMB) with the Corporate Management Team (CMT) throughout the document.
  - Acknowledgement of the new (2013) mandatory Public Sector Internal Audit Standards (paragraph 4.7)
  - Minor tidying up of working to ensure consistency with the Council’s Grants Policy (paragraphs 6.8-6.10)
  - An adjustment to the regulation relating to virements between non-pay and pay budgets (paragraph 7.5, 3<sup>rd</sup> bullet point)
  - A strengthening of the regulation relating to electronic payment methods (paragraph 9.3)
  - A rationalisation of the section relating to Petty Cash, reflecting the current practice is not to operate petty cash (paragraph 10)
  - An additional clause to reflect the fact that, as from April 2014, the preferred method of ordering goods and services is via the new electronic ordering system (paragraph 12.5)
  - Adjustments to reflect the transfer of operational responsibility for payroll from the Assistant Chief Executive – Finance to the Director of Corporate Services (paragraphs 13.3 to 13.10).

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Financial Regulations are not complied with, leading to inadequate financial control.	2 (the Council has a culture of sound financial control)	2 (a serious breach could have financial and/or disciplinary implications)	<p>Training and guidance for officers.</p> <p>Internal Audit programme.</p> <p>Monitoring by CFO.</p> <p>Oversight by Members.</p>