



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 19 July 2016</b>	<b>Matter for Information</b>
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**Title: Review of the Council's Financial Regulations**

**Author: Martin Hone (Interim Chief Finance Officer/Section 151 Officer)**

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## **1. Introduction**

Financial Regulations have been adopted by the Council and form an essential part of the control framework within which the Council operates. There is a requirement that the Chief Financial Officer should periodically review the Regulations. The last review took place in 2014.

A proposed revised set of Regulations is attached as Appendix 1 to this report.

## **2. Recommendations**

That Members consider the draft Financial Regulations attached as Appendix 1 to this report and recommend to Council that they be adopted.

## **3. Information**

The Council's Financial Regulations were last updated in 2014. The Chief Financial Officer has reviewed the Regulations and the attached draft has the following amendments compared to the current document:

- References to Overview & Scrutiny Committee have been removed throughout the document;
- Section 6.3 (Virement) has been expanded to allow virement within individual cost centres to be agreed between the relevant Head of Service and their Service Accountant;
- Section 19.7 (Income and Banking) has been amended to reflect the changes in the handling of cheques and cash since the opening of the Customer Service Centre;
- Sections 21.2 and 25.9 have been amended to require two signatories for all cheques over £5,000 (previously only one signatory was required for cheques of £10,000 and over);
- Section 25.21 (Non-compliance) has been slightly amended to require the Chief Finance Officer to report instances of non-compliance with the Financial Regulations to the Senior Management Team.

These Regulations are designed to ensure that financial decisions are taken in a considered and informed manner by assuring that consistent, high quality financial information is available to Members and Officers. In this way we can be confident that financial management ensures that the Council's objectives are met in an economical, effective and efficient way whilst still maintaining the highest levels of accountability.

The Regulations should be used in conjunction with Contract Procedure Rules which document important rules concerning the conduct of Council staff and the procedures they must follow. The general principals contained in the Regulations may be supplemented by detailed procedures specified by or agreed with the Chief Financial

Officer. Responsibility for approving and recommending changes to the financial control framework rests with the Chief Financial Officer who will be pleased to receive any comments on the operation of the Financial Regulations or Contract Procedure Rules.

All staff are bound by these Regulations and will be affected by them to some degree depending on their duties. Training will be provided for those staff who are regularly involved in the application of Financial Regulations or Contract Procedure Rules. Management Team and Heads of Service will be responsible for ensuring that appropriate officers/employees:

- (a) Receive a full copy of these Regulations, where appropriate
- (b) Receive appropriate training in order that they understand and comply with the Regulations.

Every officer has a responsibility to read and be familiar with these Regulations.

#### 4. Legislation/Policy

The Chief Financial Officer has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government Finance Act 1989
- The appropriate Accounts and Audit Regulations
- The Local Government Act 2000
- The Local Government Act 2003

#### 5. Relevant Considerations

There are no other relevant considerations from this report.

#### Background Documents:-

None.

**Email:** martin.hone@oadby-wigston.gov.uk

**Tel:** (0116) 257 2621

Implications	
<b>Financial</b> (MHo)	There are no financial implications arising from this report.
<b>Legal</b> (MHo)	Having appropriate and up-to-date regulations helps to mitigate financial and reputational risks that might arise through poor governance.
<b>Risk</b> (MHo)	Please see section 4 above.
<b>Equalities</b> (MHo)	There are no direct inclusion, diversity or community cohesion implications arising from this report.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable