

**Name of meeting: Corporate Governance & Audit Committee**  
**Date: 12<sup>th</sup> May 2017**

**Title of report: Changes to Financial Procedure Rules June 2017**  
**Purpose of report; To recommend changes to Council to update Financial Procedure Rules**

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports)</a> ?	
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name	D Hogg, Service Director: Finance IT & Transactional services (2-5-17)
Is it also signed off by the Service Director for Finance, IT & Transactional Services	
Is it also signed off by the Service Director - Legal Governance and Commissioning?	Yes
Cabinet member portfolio	Not applicable

**Electoral wards affected: All**  
**Ward councillors consulted: Not applicable**

**Public**

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## 1. Summary

- 1.1 Each year this Committee is asked to consider and recommend to Council changes to the Financial Procedure Rules(FPRs), to reflect changed operating arrangements, requirements and needs.

## 2. Information required to take a decision

- 2.1 The changes in FPRs largely reflect changes in post titles, (which are not highlighted, except where the designated post is changed significantly). So for example, most roles previously allocated to the Director of Resources are now shown as the Chief Finance Officer- the legal role currently performed by the Service Director Finance, IT & Transactional Services.
- 2.2 Changes are highlighted by track changes (except as above). Certain text changes are designed to clarify, but not change the meaning.
- 2.3 The specific changes in FPRs are designed to reflect the move to Strategic and Service Directors; Initially Strategic Directors will continue to have an involvement in direct supervision of financial management and budgetary control, and the word changes in FPR 2 and 3 reflect this. Other changes relate to:
  - Some definitions.
  - (1.6) Internal Audit is jointly commissioned by the Chief Executive, Service Director Legal, Governance and Commissioning alongside the Chief Finance Officer
  - (1.8) Additional wording to make clear that the Service Director Legal, Governance & Commissioning, and the Head of Audit & Risk can issue instructions and guidance regarding FPRs.
  - (2.1)The medium term financial plan is now over 4 years.
  - (2.22, 2.23) The limit of finance which a strategic director may transfer in consultation is increased from £0.5m to £1.0m, and the Cabinet has authority hence to vire amounts over £1.0m
  - (2.26, 2.29) clarification of rollover arrangements
  - (3.9, 3.10) Cabinet authority to vire funds in respect of capital projects is increased from £0.5m to £1.0m, and Service director authority is increased from £0.1m to £0.5m.
  - (11.1) Index of retail prices amended to consumer prices index
  - (11.6) The anti-money laundering responsibilities of the council are set as a duty for the Service Director Legal, Governance & Commissioning
  - (14, 15, 21) Introductory text requiring annual review of SAP authorisations
  - (14.6) Amended to align with Employee Handbook
  - (20.7) Clarification of expectations of competitive requirements rules when grants are awarded
  - (20.8) Minor changes to rights of a service director to issue grants
  - (20.10) The potential of other member lead forums offering grants is an addition to the clause regarding district committees
  - (20.11) Amended from £100,000 to £160,000 to align with contract procedure rules.
  - (20.13, 20.14) additional texts relating to publication and asset transfer
  - (21) Additional note highlighting need to comply with Contract Procedure Rules as well.

- 2.4 In due course, as Strategic Directors move to a commissioning role, and Service Directors take more responsibility for budget management, further changes to FPRs may be required.
- 2.5 Post titles may need to be amended during the year, as roles and responsibilities become clearer.

### **3. Implications for the Council**

- 3.1 Early Intervention and Prevention (EIP) -None directly
- 3.2 Economic Resilience (ER) -None directly
- 3.3 Improving Outcomes for Children -None directly
- 3.4 Reducing demand of services -None directly
- 3.5 Other Implications – Legal, financial or otherwise

Although each of the sub categorisations above suggest no direct implications, the procedure rules and compliance with them are a key part to ensuring sound governance in all of the councils operations and to ensure that all expenditure is targeted appropriately, to bring effectiveness, efficiency and value for money.

### **4. Consultees and their opinions**

- 4.1 The Directors for Finance, IT & Transactional Services and Legal Governance and Monitoring have been involved and the suggested changes align with their views.

### **5. Next steps**

- 5.1 Annual Council considers these proposals and any recommendations by this committee. If approved, the new rules take effect from 1<sup>st</sup> June 2017.

### **6. Officer recommendations and reasons**

- 6.1 That the recommended changes in Financial Procedure Rules as outlined in this report be approved for recommendation to Council with effect from 1st June 2017.
- 6.2 It be noted that the Service Director Finance, IT and Transactional Services, the Service Director Legal Governance and Commissioning, and the Head of Audit & Risk may prepare additional guidance as appropriate to supplement these Financial Procedure Rules.
- 6.3 That the Service Director Finance, IT and Transactional Services, and the Service Director Legal Governance and Commissioning be authorised to make any recommended changes or drafting changes they consider are necessary to these FPRs before presenting them to Council for approval.
- 6.4 The Service Director Legal, Governance & Commissioning is empowered to amend post titles to reflect those used in practice by officers fulfilling the stated functions.

### **7. Cabinet portfolio holder recommendation**

- 7.1 Not applicable.

### **8. Contact officer**

Martin Dearnley, Head of Audit & Risk

**9. Background Papers and History of Decisions**

The Financial Procedure Rules are attached with the amendments proposed shown by track changes.

**10. Directors responsible**

Director for Finance, IT & Transactional Services  
Director of Legal Governance and Commissioning