

Name of meeting: Corporate Governance & Audit Committee

Date: 26th April 2019

Title of report: Proposed Revisions to Financial Procedure Rules

Purpose of report; To provide information on proposed changes to Financial Procedure Rules for the municipal year 2019/20

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 Council's Forward Plan (key decisions and private reports)?	Not applicable
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name	J Muscroft Service Director - Legal Governance and Commissioning
Is it also signed off by the Service Director for Finance, IT & Transactional Services	Yes (CFO)
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

**Have you considered GDPR; Yes
Public**

1. Summary

- 1.1 This report sets out information on proposed changes to Financial Procedure Rules.
- 1.2 The main areas proposed for amendment relate to procedures relating capital management and income management. These are marked on the attached documents.

2. Information required to take a decision

- 2.1 The detail is contained within the attachment. Some paragraphs are renumbered, and numbers slightly differ between the track changed and clean versions attached. A large section of part 11(income) has been fully rewritten, and the former text is not shown by track change, although the text below indicates the key changes.

2.2

Section	Proposal
1.12	Minor changes to words to reflect a requirement that subsidiaries and associated parties need Governance arrangements that align with those of the Council
2.20	The words "Virements must recognise funding

	arrangements” are considered to be superfluous following paragraph reformatting
3.1/2	This is a new section making clear what Capital is, which incorporates the former 3.1
3.10(2)	The authority of Cabinet to transfer resources between projects and programmes be increased from £1.0m to £2.0m. (which more closely aligns with Revenue budget virement rules)
3.10(3)	This is a new paragraph entitling Cabinet to transfer resources between years, although this is still subject to control by the Chief finance officer
3.11	The authority of Directors to transfer resources between projects and programmes be increased from £0.5m to £1.0m. (which more closely aligns with Revenue budget virement rules)
3.16/17	The delegations to KNH and other subsidiary organisations are removed. Decisions will hence be taken by Cabinet, or as delegated to officers
3.24	This is a new paragraph that recognises that complex projects (usually related to major developments) can be delegated to officers, and that the Chief Finance Officer and Service Director Legal Governance & Commissioning must be consulted
3.25/6	This is an additional section reflecting the fact that accounting rules now require all leased assets to be incorporated on the councils balance sheet, and thus require an approval process as for other capital expenditure. 3.26 is as the previous 7.15
7.15	Edited version of previous text, mainly now at 3.26
11.6	A redrafted section designed to strengthen arrangements to prevent money laundering
11.14 & 11.15	Additional words to put timescales into this process, and to increase the authority of the Chief Finance Officer
20.11	Amended to £180,000 to align more closely with other legal agreements
Minor word changes	2.4, 2.34, 3.15, 3.22, 4.2,

3. Implications for the Council

- 3.1 **Working with People** – None directly
- 3.2 **Working with Partners** – None directly
- 3.3 **Place Based Working** – None directly
- 3.4 **Improving outcomes for children**– None directly
- 3.5 **Other (eg Legal/Financial or Human Resources)**- Although each of the sub categorisations above suggest no direct implications, these Procedure Rules covers all aspects of the councils operations,.

4. Consultees and their opinions

- 4.1 The chief finance officer, and heads of service, have been involved in the drafting of these proposals.

5. Next steps & Timelines

5.1 This matter will go forward to Annual Council for consideration.

6. Officer recommendations and reasons

6.1 Members are asked to consider the proposed changes to Financial Procedure Rules and recommend them to Annual Council for approval.

7. Cabinet portfolio holder recommendation

7.1 Not applicable.

8. Contact officer

Martin Dearnley, Head of Risk (01484 221000; x 73672)

9. Background Papers and History of Decisions

The attached document includes track changes, and a clean (new) version. The 2018 version of FPRs is available as a part of the council constitution

10. Service Director responsible

Service Directors of Legal Governance & Commissioning, and ,
Finance.