

Name of meeting: Annual Council (Reference from Corporate Governance and Audit Committee)

Date: 19th May 2021

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 2021/22

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	10.5.21 J Muscroft Service Director - Legal Governance and Commissioning
Is it also signed off by the Service Director for Finance, IT & Transactional Services	Yes
Is it also signed off by the Service Director - Legal Governance and Commissioning?	
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 for the year 2021/22
- 1.2 The Corporate Governance & Audit Committee considered the proposed changes at their meeting on 22nd April 2021.
- 1.3 The areas proposed for amendment relate principally to a consolidation of the currently separate parts (in the 2019 version of FPRs) that relate to grants receivable and payable, into a new combined section, and other changes regarding capital budget management, internal audit, and debt collection.

2. Information required to take a decision

- 2.1 The detail is contained within a summary schedule, Appendix 1.
- 2.2 The main change is the consolidation of the section relating to grants receivable- previously section 4.7 to 4.11 and grants and loans payable 20.7 to 20.14, into a new combined section 22, with some clarification and changes to the rules.

- 2.3 All the text changes are marked in Appendix 2 by track changes, but to clarify what are word changes rather than those of location, the original texts from 4.7 to 4.11 and 20.7 to 20.14 are included as the untracked text now at 22. New or changed text in section 22 is hence shown as the track changes. Corporate Governance and Audit Committee asked for minor revisions to the initial draft wording in relation to 2.18, 22.5 and 22.10(b)
- 2.4 Although there are some suggested changes, for clarification, to sections 2 and 3 that relates to budgets, the Director of Finance and Head of Risk are currently reviewing the concepts of controls required and achieved through FPR 2 (Revenue Budget Preparation and Management) and FPR 3 (Capital Investment Plan Preparation and Management) and anticipate reporting on this to the Committee later in 2021.
- 2.5 There are some other wording changes to clarify responsibilities and requirements, in relation to matters such as internal audit, payments and debt collection.

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 **Climate change and air quality**- None directly
- 3.6 **Other (eg Legal/Financial or Human Resources)**- Although each of the sub categorisations above suggest no direct implications, these Procedure Rules cover all aspects of the councils operations.

4. Consultees and their opinions

- 4.1 The Service Director Finance (Chief Finance Officer), and relevant Heads of Service, have been involved in the drafting of these proposals. As noted above the Corporate Governance & Audit Committee considered the proposed changes at their meeting on 22nd April 2021 and recommended some minor changes now incorporated in this proposal.

5. Next steps & Timelines

- 5.1 If approved by Annual council, these changes will be effected immediately.

6. Officer recommendations and reasons

- 6.1 Council is asked to approve the proposed changes to Financial Procedure Rules.

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.

The 2019 version of FPRs is available as a part of the Council's Constitution.

10. Service Director responsible

Service Directors of Legal Governance and Commissioning and Finance,