

Name of meeting: Corporate Governance & Audit Committee
Date: 22nd April 2022

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 2022/23

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?	
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 for the year 2022/23
- 1.2 The changes are minor corrections and clarifications.

2. Information required to take a decision

- 2.1 All the text changes are marked in Appendix 1 by track changes, and these are detailed in sections 2.2, and 2.3 below.
- 2.2 The Council Corporate Plan now determines the strategic outcomes, and individual budgets no longer include linked Service Plans as a part of the budget in the way referred to in the FPRs, so reference to them is deleted, with emphasis on activity (which is typically a service area). There are some other revised definitions (with commensurate revision to words in the rest of the text). The current wording of rights to execute virement by strategic directors and cabinet is unclear, and the threshold sum of 10% of the gross budget or £1m (Strategic directors) or £2m (Cabinet) (whichever is the smaller), means that in practice the sum of £1m/£2m applies in all cases. It is accordingly suggested that strategic

directors (in consultation with executive members) are granted authority to carry out within a strategic directorates virements of up to £1m cumulatively, and Cabinet cross strategic directorate Virements, but subject to a limit of £2m per strategic directorate.

- 2.3 Other changes recommended are;
[5.3/5.9] wording amended to clarify that access to premises/record etc is for all staff approved by Head of Audit, and that fraud work is now managed through the risk function
[13.6] a reference to not using private debit/credit cards for council business.
[22.2] clarifies the need for conditions attached to a grant receivable of a material nature requiring to be discussed between the relevant Service Director and that for Legal & Governance
[22.11] suggests a recommended increase in grants that are wholly at the discretion of directors to a maximum of £10,000 each, and £20,000 cumulatively.
- 2.4 The FPR report in 2021 suggested that there may be a further report on revenue and capital budgeting rules. Further analysis identified that there was no current need for fundamental changes, although there are a small number of changes recommended as a part of this update. (as detailed above)

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 (e.g., 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 Chief Finance Officer, and relevant 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 after consideration by this Committee.

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. The 2021 version of FPRs is available as a part of the council constitution

10. Service Director responsible

Service Director- Legal Governance and Commissioning
Service Director- Finance.