

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE COUNCIL**

**16 July 2014**

**1. Revised Financial Regulations**

**Submitted by: Head of Finance**

**Portfolio: Finance and Resources**

**Ward(s) affected: All Indirectly**

**Purpose of the Report**

To approve the revised Financial Regulations and Procedures.

**Recommendations**

**(a) That the revised Financial Regulations and Procedures be approved.**

**Reasons**

The Council's Financial Regulations and Procedures need to be reviewed regularly and revised where necessary so that they reflect the current structure and requirements of the Council.

**1. Background**

- 1.1 Financial Regulations are designed to ensure that the Council's financial affairs are conducted in a proper, standardised and accountable manner. They set out for officers and members the practices and procedures which must be followed when dealing with financial and allied matters.
- 1.2 The Regulations comprise Key Regulations and associated Financial Procedures. The Key Regulations set out the general principles which are to be followed and the Financial Procedures set out in detail the procedures which must be followed. This is in accordance with the best practice format as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3 As part of the arrangements to ensure good corporate governance of the Council, a review of the Regulations is now carried out on an annual basis. Following this year's review some minor amendments have been made. Accordingly, revised Regulations have been compiled and are now submitted for your consideration and approval.

**2. Issues**

- 2.1 In the interest of efficiency, the whole document (65 pages) has not been circulated with the report. A full copy of the Regulations, showing the track changes which have been made, compared to the current Regulations, is available in the Members Room and a copy has also been placed on the Members' Intranet site.

2.2 The main changes are:

- Reference to the Head of Human Resources changed to Acting Head of Human Resources;
- Reference to the Head of Central Services changed to Monitoring Officer and Head of Business Improvement, Central Services and Partnerships;
- Reference to the Head of Regeneration and Assets changed to the Executive Director (Regeneration and Development);
- Reference to the Human Resources Strategy changed to the Workforce Development Plan;
- Reference to the Transformation and Resources Overview and Scrutiny Committee changed to the Finance, Resources and Partnerships Scrutiny Committee;
- Reference to the Risk Management Group changed to the Corporate Governance Working Group;
- Reference to the Government Code of Connection changed to the Public Services Network (PSN) and the Government Protective Marking Scheme (GPMS) changed to the Government Security Classifications Scheme (GSCC);
- Reference to written approval, updated to include approval/authorisation by email (1.13);
- An addition to A29 to require the Audit and Risk Committee to consider the External Auditor's "audit findings" report;
- An amendment to B2, with reference to the Chief Executive being responsible for proposing a Sustainable Community Strategy and Performance Plan changed to being responsible for proposing a Council Plan;
- An amendment to B13, B15 and Bf6(d) to remove the need to use a Benefit Management Model for projects where no budget exists and replace this with the need for a business case and the project lead being expected to monitor the realisation of benefits;
- An addition to C14 and Cm2(c) to require the Audit and Risk Committee to receive the Treasury Management Annual report prior to it being submitted to Full Council;
- An addition under Grants (Ah2) to require officers to give consideration to the potential claw back of grants and the risks, impact and likelihood of this occurring;
- Capital Programme (Bf5) removal of the need for a benefit card attached to reports for schemes estimated to cost in excess of £20,000;
- An addition to Petty Cash (Ci3) to state that staff cannot use Loyalty cards and the Petty Cash rules added to the Financial Regulations as an Appendix;
- An addition under Staffing Co2(d) to require the Acting Head of Human Resources to compile and keep up to date a Pay Policy Statement in accordance with Section 38 of the Localism Act 2011;
- Information Security (Dc1b), amended to state that back-up information is to be stored securely electronically at a different location (previously fire proof alternative location);
- An addition to Information Security Dc1(g) to require all unwanted ICT equipment to be returned to ICT for secure disposal;
- An amendment to Dh4 to confirm that we will accept debit or credit card payments when acting as a collecting agent on behalf of another organisation, only if they meet all of the associated processing fees;
- An addition to Payment by Credit/Debit card (Dh7) to require the Council's compliance with the Payment Card Industry (PCI) Data Security Standards (DSS);
- A new entry in respect of Direct Debit Collection (Di1-Di3);
- Deletion of Dr2 (under Contracts) which required Directors to inform the Executive Director (Resources and Support Services) at requisition stage that it relates to a contract and confirming the retention figure. The Audit Manager confirmed that this process is no longer relevant;
- A change to Dr7 to state that requisitions and orders in excess of £50,000 are to be approved by the Chief Executive or the Executive Director (Resources and Support Services), this was previously in relation to Standing Order for contracts;

- Minor changes to Dr (Requisitioning and Ordering of Works, Supplies and Services) and Dt (Paying for Work, Supplies and Services) following the change of Financial System from Agresso to Civica resulting in new processes;
- A new entry under Trading Accounts (Dw3) regarding proposals to establish alternative delivery vehicles;
- Minor amendments to explanatory note wording and correction of reference numbers.

3. **Legal and Statutory Implications**

3.1 There are none.

4. **Financial and Resource Implications**

4.1 There are none.

5. **Major Risks**

5.1 There are none.

6. **List of Appendices**

6.1 A hard copy of the document showing the changes is available in the Members' Room and a copy has also been placed on the Members' Intranet site.

7. **Management Sign-Off**

Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off:

	Signed	Dated
<b>Financial Implications Discussed and Agreed</b>		
<b>Risk Implications Discussed and Agreed</b>		
<b>Legal Implications Discussed and Agreed</b>		
<b>H.R. Implications Discussed and Agreed</b>		
<b>ICT Implications Discussed and Agreed</b>		
<b>Report Agreed by: Executive Director/ Head of Service</b>		