

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

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

**09 September 2015**

**1. Revised Financial Regulations**

**Submitted by:**                      **Head of Finance**

**Portfolio:**                              **Finance IT and Customer**

**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 annually 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 tracked 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 Changes made are:

- 2.2.1 (PSN) and the Government Protective Marking Scheme (GPMS) changed to the Government Security Classifications Scheme (GSCC);
- 2.2.2 An amendment to Dh2, Payment by Credit and Debit Cards, to incorporate the possibility that debit cards may be subject to charges that would subsequently be approved by Cabinet, due to the increase in debit card charges being received;
- 2.2.3 Reference to the Standing Orders has been replaced where necessary to Contract Procedural Rules;
- 2.2.4 The Community Strategy has been amended to Sustainable Community Strategy;
- 2.2.5 B10(b) – Directors shall provide the Executive Director (Resources and Support Services with sufficient information to enable the Medium Term Financial Strategy;
- 2.2.6 B18 – Guidelines on budget preparation will be approved by Cabinet through the approval of the Medium Term Financial Strategy;
- 2.2.7 F1 – F4 – The requirement of the Council to comply with the Local Government Transparency Code;
- 2.2.8 Af2 – Directors shall provide any information required from auditor queries;
- 2.2.9 Ag3 – Requisitions shall be approved by separate persons in order to produce and order to be sent to a supplier;
- 2.2.10 Ag4 – In line with the changes towards official documents being approved electronically rather than via a signature, the reference to sign or certify has been replaced with ‘approve’;
- 2.2.11 Bb1 – Estimates and budgets amended in order to fit to the Code of Practice as and when any changes occur;
- 2.2.12 Bb18 – Reference to budget monitoring rather than calculation of efficiency saving indicators;
- 2.2.13 Bf4 – Removal of reference to the Cabinet Portfolio Holder for Resources and Efficiency in relation to attendance at the Capital Programme Review Group;
- 2.2.14 Bf18 - The Executive Director (Resources and Support Services) shall be responsible for the submission of all bids or requests for approval for in respect of Supplementary or other credit approvals or capitalisation directions or any other matter concerning capital accounting or funding;
- 2.2.15 Bf20 - No lease, hire, rental or other arrangement of a similar nature which involves a charge against the Council's credit approvals shall be entered into without reference to the Executive Director (Resources and Support Services) to enable him to assess the implications for the capital or revenue budgets. If the Executive Director (Resources and Support Services) so requires, the arrangement shall be submitted;
- 2.2.16 Cl2 – Petty cash expenditure shall only be in line with the guidance notes and certified by the Head of Service, Executive Director or Chief Executive;
- 2.2.17 Cn2 – Payments by direct debit or standing order must be approved by the Executive Director (Resources and Support Services);
- 2.2.18 Db1 - Directors shall supply, in writing or by electronic means, lists names of authorised employees, with specimen signatures and delegated limits and, where requested, specimen signatures , to the Executive Director (Resources and Support Services), together with

subsequent variations, in respect of payments, income collection and placing orders, including requisitioning;

2.2.19 Dp3 – Directors *shall* apply the Charging Policy when setting fees and charges. This was amended from have regard to, in order to emphasise the need to apply the policy;

2.2.20 Dw2 – Included that Directors shall observe all accounting requirements specific to trading accounts;

2.2.21 Appendix A – Petty Cash guidance notes have been updated to reflect current guidance;

2.2.22 The Accounts and Audit (England) Regulations have been updated to reference the 2015 regulation;

2.2.23 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.