

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Audit & Standards Committee
09 March 2020

Report Title: Update of Financial Regulations

Submitted by: Head of Finance

Portfolios: Finance and Efficiency

Ward(s) affected: Not Applicable

Purpose of the Report

For Audit & Standards Committee to review the proposed revisions to the Council's Financial Regulations and Procedures and recommend their adoption to Council.

Recommendation

That Audit & Standards Committee recommend to Council that the revised Financial Regulations and Procedures, appended as Appendix 1 hereto, be adopted.

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 carried out on a regular basis. Following this year's review a number of amendments are proposed.
- 1.4 The revised Financial Regulations will be presented to the Constitution and Member Support Working Group on 11 March. Any observations from that Group will, along with the recommendations of this Committee, be reported to Council on 1 April 2020.

2. **Issues**

- 2.1 A full copy of the Regulations, showing the track changes which have been made, is appended to this report.
- 2.2 The main changes are as follows:

Section	Amendment
1.4 and 1.11	A sentence added to reflect that the Financial Regulations need to be submitted to the Audit and Standards Committee prior to being submitted to Council in accordance with the Constitution.
1.19	Noted that the first choice of deputy for the Executive Director (Resources and Support Services) should be the Head of Finance.
1.24	New paragraph entered re Supplementary Estimates
1.4.3	New paragraph entered with a table for Revenue and Capital Virement approval limits to tie in with the new Constitution figures for key decisions.
1.5	New section entered in respect of Supplementary Estimates with a table for Revenue and Capital approval limits to tie in with the new Constitution figures for key decisions.
3.1.2	Reference to The Executive Director (Resources and Support Services) being the Chair of the Corporate Governance Working Group, replaced with the Chief Executive being Chair of the Information Governance Group (IGG) and wording updated to reflect the role of the IGG in resolving issues and providing assurance that risks are being managed in accordance with the Risk Management Strategy.
3.6.3	The Head of Legal and Governance replacing the Head of Audit and Elections as the Council's Monitoring Officer.
3.14.2/ 4.24.1(a)	Responsibility for approving direct debit or standing order transactions changed from Executive Director (Resources and Support Services) to Head of Finance on the basis that they are small in number and generally for insignificant amounts i.e. for annual subscriptions.
3.15.4	A line added to state the Executive Director (Resources and Support Services) shall authorise all employee settlements, pension strain payments, Mutually Agreed Resignation Scheme applications and gratuities in conjunction with the Head of People and Organisational Development and the Pay Policy Statement.
4.16.4	A line added to state that any revisions to existing or any new fees and charges part way through the year can be added to the published Scale of Fees and Charges with the approval of the relevant Portfolio Holder and Head of Finance.
4.18.7	Requisitions and Orders in excess of £50,000 to be approved by a member of EMT (currently only the Chief Executive and Executive Director (Resources and Support Services)) to tie in with the new financial limits/approval criteria in the Constitution.
4.18.9 & 4.24.7(c)	Additional wording to state that quotations or tenders need to be by an open procurement process or compliant framework (either further competition or direct award).
4.19.1	A line added to state "The Council's Contract Procedural Rules must also be followed when considering a contract extension".
4.25 & 4.28.1	Section updated to reflect changes in responsibilities now that the Council has a SLA with Stoke-on-Trent City Council to provide payroll services.
7.1	New section added regarding Commercial Governance.

General	The title Executive Director (Regeneration and Development) changed to Executive Director (Economic Growth and Commercial Development)
General	The title Head of Customer and ICT Services changed to Head of Customer and Digital Services.
General	The title Head of Human Resources changed to Head of People and Organisational Development.
General	Removal of the role Head of Audit and Elections with responsibility passing to the Head of Legal and Governance, Chief Internal Auditor or the Head of Finance depending on the item.

3. **Legal and Statutory Implications**

3.1 There are no specific legal implications arising.

4. **Financial and Resource Implications**

4.1 There are no specific financial implications arising.

5. **Major Risks**

5.1 There are none.

6. **List of Appendices**

6.1 Appendix A – Financial Regulations – Tracked Changes

7. **Background Papers**

7.1 There are none.