



**REPORT of
DIRECTOR OF RESOURCES**

to
FINANCE AND CORPORATE SERVICES COMMITTEE
14 JUNE 2016

FINANCIAL REGULATIONS

1. PURPOSE OF THE REPORT

- 1.1 To consider and recommend to Council revisions to the Financial Regulations in order to allow officers to act in a swift manner to ensure good value for money could be achieved for the Council.

2. RECOMMENDATIONS

To the Council:

That the amended Financial Regulations as stated in paragraph 3.2 below be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The current governance structure of the Council allows the Chief Executive to act in emergencies, and where time permits in consultation with the Leader and Chairman or Chairmen of appropriate Committee(s). The current Financial Regulations allow supplementary estimates to be agreed in exceptional circumstances (approval from Finance & Corporate Services (F&CS) Committee must be sought for supplementary estimates over a certain limit); however such estimates are normally applied to projects and initiatives that are already established.
- 3.2 There are occasions where officers will need to act swiftly in a non-emergency scenario in order to balance the need of the service. In particular, expenditures may need to incur on a new capital project that has not received prior approval from the Committee/Council, and that such project may save long term revenue cost for the Council. However under the current Financial Regulations, no expenditure can be incurred until approval has been sought from F&CS Committee and Council. It is proposed that the Financial Regulations be amended in order to allow more flexibility for officers to act in a swift manner and also to bring the limit for approval of supplementary estimates to be in line with those set for the approval of virements. It is proposed that paragraph 1.3 (c) of Appendix F be amended as follow:

(c) The financial limits for approval of supplementary estimates are set out below:

Supplementary Estimates (including expenditure on new projects and initiatives)

- (i) Up to **£50,000** – Director of Resources in consultation with the Chairman of the Finance and Corporate Services Committee and reported to the next Finance and Corporate Services Committee;
- (ii) Over **£50,000** – the Finance and Corporate Services Committee.

NB One of the Council's budget policies is to only agree supplementary estimates in exceptional circumstances.

4. CONCLUSION

- 4.1 It is important that the Council's rules and regulations are regularly reviewed and kept up to date in order to allow good value for money to be achieved.

5. IMPACT ON CORPORATE GOALS

- 5.1 This review supports the goal of delivering good quality, cost effective and valued services in a transparent way.

6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Up to date policies minimise the risk of internal control failures through inconsistency of documentation.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: Financial Regulations.

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