

**Decision Maker:**      **General Purposes and Licensing Committee**

**Date:**                    **11<sup>th</sup> July 2012**

**Decision Type:**      Non-Urgent                    Non-Executive                    Non-Key

**Title:**                    **FINANCIAL REGULATIONS**

**Contact Officer:**      Graham Walton, Democratic Services Manager  
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**Chief Officer:**        Mark Bowen, Director of Resources

**Ward:**                    N/A

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1. Reason for report

- 1.1 The Council's current Financial regulations were approved in 2009 – the Audit Sub-Committee has now reviewed them, removing duplication and making sure that terminology and designations are correct, and approved an updated version for consideration by full Council.
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2. **RECOMMENDATION(S)**

- 2.1 **The Committee is recommended by Audit Sub-Committee to refer the updated Financial Regulations for approval by full Council.**

### Corporate Policy

1. Policy Status: Existing Policy: The proposed new Financial Regulations are an update of the current document.
  2. BBB Priority: Excellent Council
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### Financial

1. Cost of proposal: No Cost:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £374,320
  5. Source of funding: 2012/13 revenue budget
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### Staff

1. Number of staff (current and additional): The Democratic Services Team has 8 posts (7.22 fte)
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory Requirement: Section 151, Local Government Act 1972
  2. Call-in: Not Applicable: This report does not include an executive decision.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

### **3. COMMENTARY**

3.1 At its meeting on 6<sup>th</sup> June 2012, the Audit Sub-Committee considered and approved an updated version of the Council's Financial Regulations for submission to this Committee and then full Council.

3.2 The report considered by Audit Sub-Committee was its standard Internal Audit Progress Report – the key sections are reproduced below:

#### **3.16 Financial Regulations**

3.17 The Financial Regulations for this authority was last updated in April 2009. It needed to be updated given the feedback received from officers that it was too long (160 pages) and not user friendly and confusing in relation to limits for authorising payments and orders.

3.18 The Contract Procedure Rules sit outside of financial regulations and are accessed separately. As a result of the investigations various best practice notes, aides and guidance have been produced by Procurement to assist officers. These include a quick guide to the procedures, and guidance on the use of consultants, waivers and variations and exemptions.

3.19 The Financial Regulations have now been updated and a draft has been made available to members of this committee.

3.20 The main changes proposed are:

- Deletion of Financial Procedures – Part one. This document detailed 50 pages of responsibilities for Chief Officers across financial management, financial planning, risk management, system and procedures and external arrangements. Apart from this being a long, text book lifted and unwieldy part of Financial Regulations, a lot of this was already covered by the financial regulations strategic responsibilities section. As part of our review process of procedures part one, we incorporated some elements of relevance within the top level strategic part of the Financial Regulations.
- We have also introduced a new document covering authorisation of limits for orders and payments (section 5 of the financial procedures). This has been approved by the Finance Director, Deputy Finance Director and Heads of Finance. The limits proposed are in line with I-proc limits and contract procedure rules. The document also contains listed exemptions that could be covered by a department's scheme of delegation.
- The Financial Regulations have been amended to include changes in the organisation.
- This leaves just two parts to the Financial Regulations that have been revised as indicated above – Financial Regulations (strategic) aimed at members and chief officers and Financial Procedures which is the document that most officers would need to make reference to. This contains procedures to be followed across a number of key areas of control such as budgetary control, salaries and payroll, ordering for goods and services, payment of accounts etc as well as appendices sitting at the bottom of the Financial Regulations covering fraud and corruption, gifts and hospitality and retention of documents.

3.21 We are also in the process of loading the Financial Regulations on the web as part of a video training package that officers can access that will take about 30 minutes to go through. This will contain two modules to include the Contract Procedure Rules. It is envisaged that officers will be required to have completed the two modules to authorise future payments.

3.22 The draft revamped financial regulations will be shorter (about 110 pages) and easier to navigate by using the document map facility in the 'view bar'. Members are asked to comment and approve the Financial Regulations.

3.3 The full text of the proposed new Financial Regulations, although substantially reduced, is still a large document of over 100 pages, so printed copies have only been produced for members of this Committee. The full document will be available from Democratic Services and on the Council website.

<b>Non-Applicable Sections:</b>	Financial/Policy/Legal/Personnel
Background Documents: (Access via Contact Officer)	Report and Minutes – Audit Sub-Committee (6/6/12)