

Decision Maker: COUNCIL

Date: 12 November 2012

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

Title: REVIEW OF FINANCIAL REGULATIONS

Contact Officer: Lynn Hill, Democratic Services Officer
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Chief Officer: Director of Resources

Ward: N/A

1. Reason for report

The Council's current Financial Regulations were last approved in 2009 and the Audit Sub-Committee has recently reviewed them, removing duplication and making sure that terminology and designations are correct. The General Purposes and Licensing Committee subsequently agreed the updated version and has recommended Council to adopt the revised version of Financial Regulations.

2. **RECOMMENDATION(S)**

The Council is recommended to adopt the revised Financial Regulations as circulated.

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: £320,320
 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:
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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: N/A

3. COMMENTARY

The Audit Sub-Committee at its meeting on 6th June 2012 considered and approved an updated version of the Council's Financial Regulations. Its recommendation to approve the revised regulations for submission to full Council was subsequently agreed by the General Purposes and Licensing Committee on 11th July 2012.

Set out below is an extract from the Audit Sub-Committee report explaining the approach taken to revise Financial Regulations and make them easier to understand as well as cutting down on duplication.

3.1 Financial Regulations

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

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.

The main changes 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.
- A new document covering authorisation of limits for orders and payments (section 5 of the financial procedures) is included. 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.

Arrangements are underway to load the Financial Regulations on the web as part of a video training package that officers can access that will take about 30 minutes to complete. This will contain two modules to include the Contract Procedure Rules. It is intended that officers will be required to have completed the two modules to authorise future payments.

Non-Applicable Sections:	Finance/Policy/Legal/Personnel
Background Documents: (Access via Contact Officer)	Report and Minutes Audit Sub-Committee – 6 th June 2012 Report and Minutes General Purposes & Licensing Committee – 11 th July 2012