

**TO: GOVERNANCE AND AUDIT COMMITTEE
1 APRIL 2014**

**REVIEW OF FINANCIAL REGULATIONS
Borough Treasurer and Borough Solicitor**

1 PURPOSE OF REPORT

- 1.1 To review the Council's Financial Regulations and approve amendments to them.

2 RECOMMENDATION

- 2.1 That the revised Financial Regulations attached at Appendix 1 be approved.**

3 REASONS FOR RECOMMENDATION

- 3.1 The Financial Regulations are an important component of the Council's Constitution, setting out in some detail the way in which the Council will conduct its financial affairs. They are regularly reviewed to ensure they remain current and up to date.
- 3.2 Following receipt of the final report from the Working Group of the Overview and Scrutiny Commission entitled "A Review of Delegated Authorities", the Executive has agreed that some amendments should be made to Financial Regulations.
- 3.3 The revised Financial Regulations attached at Appendix 1 take account of both of the above.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not revising the Financial Regulations would mean that they are not up to date and do not take account of the recommendations contained in "A Review of Delegated Authorities".

5 SUPPORTING INFORMATION

- 5.1 Part 4 of the Council's Constitution entitled "The Way in Which the Council Operates" includes, at Section 10, the Council's Financial Regulations. They provide the framework for managing the Council's financial affairs, requiring officers to carry out their financial responsibilities in an open and transparent manner.
- 5.2 Financial Regulations are reviewed on a regular basis to ensure they remain fit for purpose. In addition to this the Working Group of the Overview and Scrutiny Commission has recently published its report entitled "A Review of Delegated Authorities" which has made one significant recommendation around the capital virement rules which the Executive have subsequently accepted.
- 5.3 Proposed changes to Financial Regulations are set out in Appendix 1. Most are of a housekeeping nature, reflecting current best practice or providing clarification where this has been felt necessary. Housekeeping changes include:

Unrestricted

- Emphasising that Financial Regulations apply to schools, although Head Teachers are not regarded as Directors for the purposes of Financial Regulations.
- Reflecting staffing changes and responsibilities e.g. that the Chief Accountant or Chief Technical Accountant now fulfil the role of deputy Section 151 Officer.
- Revisions to accounting standards, codes of practice and the Accounts and Audit Regulations.
- Updates to reflect the Council's current approach to service planning and performance reporting.
- The need for budget managers to be trained sufficiently
- Reflecting that the preferred method of paying suppliers is now BACS rather than cheques.
- Introducing the concept of category strategies and the need for purchasing decisions to be made in accordance with any approved category strategies.

5.4 More substantial changes have been made to Financial Regulation 2.5 Capital Programmes. These include:

- Changes to the capital virement rules to make them consistent with the revenue virement rules.
- The need to include details of all schemes estimated to cost more than £50,000 within the published capital programme, and
- Delegated authority to the Borough Treasurer to approve virements of up to £250,000 in consultation with the Children, Young People and Learning Capital Programme Board, within the overall capital budget for schools (as recommended by the Working Group of the Overview and Scrutiny Commission).
- The inclusion of officer and Member responsibilities with regard to the allocation of resources within an approved rolling capital programme and approving expenditure above the scheme estimate. This reflects delegations included elsewhere within the Constitution. They have now been included in Financial Regulations to provide clarity and ensure consistency.

6 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

6.1 Incorporated within the report and appendix

Borough Treasurer

6.2 Incorporated within the report and appendix.

Equalities Impact Assessment

6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Up to date Financial Regulations provide the framework for managing the Council's financial affairs, ensuring that decisions are taken in an open and transparent manner, thereby minimising the risk of financial impropriety.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Council officers

Method of Consultation

- 7.2 Circulation of proposed amendments to Financial Regulations.

Representations Received

- 7.3 Incorporated within revised Financial Regulations.

Background Papers

None

Contact for further information

Alan Nash, Corporate Services Department - 01344 352180

Alan.nash@bracknell-forest.gov.uk

Alex Jack, Corporate Services Department – 01344 355679

Alex.jack@bracknell-forest.gov.uk