

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	NO	
Lead Member: Cllr Brian Long E-mail: <a href="mailto:cllr.Brian.Long@West-Norfolk.gov.uk">cllr.Brian.Long@West-Norfolk.gov.uk</a>		Other Cabinet Members consulted:		
Lead Officer: Lorraine Gore E-mail: <a href="mailto:Lorraine.gore@west-norfolk.gov.uk">Lorraine.gore@west-norfolk.gov.uk</a> Direct Dial: 01553 616432		Other Members consulted:		
		Other Officers consulted: Senior Management Team, Financial Services Personnel Services Manager Payroll and Systems Administrator		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 6<sup>th</sup> December 2016

### FINANCIAL REGULATIONS

#### Summary

Financial Regulations were last reviewed in 2011/12 and are overdue for review. In that time there have been a number of changes in the structure of the Council and new issues have arisen that need to be included in the regulations.

#### Recommendation

Recommend the adoption of the revised Financial Regulations to Council.

#### Reason for Decision

Financial Regulations are key to the way in which the Council conducts its financial affairs and it is essential that they are a robust platform to instruct officers and provide assurance of good governance.

### 1.0 Background

- 1.1 In order to achieve reasonable timing, the Cabinet report has been submitted before the Audit Committee have met to comment on the revisions. Cabinet will receive a verbal update of any comments from the Audit Committee.
- 1.2 Section 3 of the Accounts and Audit Regulations 2015 states that '*A relevant authority must ensure that it has a sound system of internal control which ensures that the financial and operational management of the authority is effective*'.
- 1.3 Financial Regulations are intended to ensure the Council meets its statutory obligations regarding financial management, especially in respect of the

financial aspects of corporate governance. It is essential that the regulations properly reflect the structure of the Council in terms of roles and responsibilities and they provide proper direction for Members and Officers in the conduct of the Council's business.

1.4 Financial Regulations were last reviewed in 2011/12 and are overdue for review. In that time there have been a number of changes in the structure of the Council and new issues have arisen that need to be included in the regulations.

1.5 The draft Financial Regulations are attached (**Appendix 1**) without the tracked changes. A version containing tracked changes is available if required, but with changes to the sequencing of the sections and formatting, etc, the inclusion of tracked changes does not make it an easy document to read. This paper summarises the main changes.

1.6 Amendments to job titles have been made as required and the sequencing of the sections has been changed to produce a better flow to the document. Other minor amendments have been made to improve clarity or strengthen existing arrangements, especially in relation to the requirement to use POP for raising purchase orders and the need to notify the Insurance Officer of anything that may affect the level of insurance provision.

1.7 The main changes to the regulations are:

New sections added include:

- 8 - Employment Status Indicator (ESI)
- 9 - Construction Industry Scheme (CIS)
- Appendix 2 – Inventory Procedures.
- Appendix 3 – ESI Procedures
- Appendix 4 – Cash Limit Rules

1.8 Other sections have been expanded to reflect increasing, or changes in, use:

- 2 - Reference to External Audit has been included to reflect the new appointment arrangements.
- 14 – Use of Credit Cards. Use of corporate credit cards is increasing, especially in relation to internet orders. This section has been significantly expanded to incorporate instructions that were recently issued by Financial Services.
- 15 – Grants To and From External Organisations. This section did not previously refer to 'Grants From'. This is an increasing source of funds for the Council and needs to be properly regulated.

- 18 – Travelling and Subsistence. This includes the use of Expenses on Demand and the new procedures for submitting VAT receipts that has recently been approved by Management Team.
- 19 – Insurance. It has become increasingly important to ensure that any changes that may affect the level of insurance cover are identified and communicated to the Insurance Officer. This also applies to changes in service provision.

1.9 The scope of the Financial Regulations has been extended to include the Council's wholly owned companies, where the regulations are adopted by the Company Board.

1.10 No sections have been removed, although the section on Treasury Management has been largely replaced by a reference to the Treasury Management Strategy to avoid the necessity for more frequent updates of Financial Regulations.

## **2.0 Policy Implications**

None

## **3.0 Financial Implications**

Inadequate Financial Regulations could have a financial impact if the business of the Council is not conducted in an appropriate manner.

## **4.0 Personnel Implications**

None

## **5.0 Statutory Considerations**

Compliance with the Accounts and Audit Regulations 2015.

## **6.0 Equality Impact Assessment (EIA)**

None

## **7.0 Risk Management Implications**

Increased risk of business of the Council not being conducted in an appropriate manner or regulatory obligations being breached if the regulations are not updated.

## **8.0 Declarations of Interest / Dispensations Granted**

None

## **9.0 Background Papers**

Financial Regulations approved at Council 26<sup>th</sup> January 2012

# Pre-Screening Equality Impact Assessment

Borough Council of  
**King's Lynn &  
West Norfolk**



Name of policy/service/function	Financial Regulations				
Is this a new or existing policy/ service/function?	Existing				
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service rigidly constrained by statutory obligations					
<b>Question</b>	<b>Answer</b>				
<p><b>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</b></p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)			✓	
<b>Question</b>	<b>Answer</b>	<b>Comments</b>			
<b>2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</b>	No				
<b>3. Could this policy/service be perceived as impacting on communities differently?</b>	No				
<b>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</b>	No				
<p><b>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</b> If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	<b>Actions:</b>			
		<b>Actions agreed by EWG member:</b> .....			
<b>Assessment completed by:</b> <b>Name</b>					
<b>Job title</b>	<b>Date</b>				

**Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required**

