

Report to Constitution and Members' Services Standing Scrutiny Panel

Date of meeting: 28 April 2008

Portfolio Holder: Leader

Subject: Financial Regulations - 2007/8 Review

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Recommendation:

That a report be submitted to the Council recommending that the proposed revisions to Financial Regulations as set out in the Appendix to this report be approved and incorporated in the Council's Constitution.

Report:

1. The Council is committed each year to review its Financial Regulations and an officer working party of representative service directorates has been reviewing any proposals for change including those arising from the recent service restructurings. The Working Party has also looked carefully at issues which have arisen over the past year in relation to these regulations and considered whether changes need to be made to the existing version.
2. The current review has not resulted in any fundamental changes to the Regulations, following the very substantial review carried out last year. The most significant changes are summarised below:

New Directorate Structure

3. The many references to Chief Officers in the existing version have been altered to accord with the new Service Director positions recently created as a part of the Top Management Review.

Head of Finance/Chief Financial Officer

4. An attempt was made at the last review to distinguish the role of the Head of Finance (now Director of Finance and ICT) from the post holder's role as the Council's designated Chief Financial Officer (CFO). The former reflects the post holder's role as manager of the Directorate; the latter covers his role as the nominated CFO, a role which has statutory powers in relation to the financial governance of the Council.
5. In practice, the attempt to draw this distinction in Financial Regulations has not proved necessary. The use of the two titles has tended to cause confusion so it is recommended that all references be altered to Chief Financial Officer as, in all respects Financial Regulations are part of the Council's governance arrangements and within the terms of reference of that CFO's role.

Audit and Governance Committee

6. A new section has been included in the Regulations to cover the Audit and Governance Committee which has been established since the last review.

Payroll

7. As part of the Top Management restructuring, the payroll responsibilities within Finance and ICT have transferred to Corporate Support Services. Various changes to the Regulations have been made to reflect the change.

Writing off of Arrears

8. Currently Financial Regulations prescribe a maximum amount of arrears which may be written off by the Director of Finance and ICT. The current figure is £1000. Above that limit, the Portfolio Holder for Finance must give approval. This limit on officer delegation is considered too low, resulting in many more individual 'write offs' being referred to Portfolio Holders than is desirable. An increase in this limit to £2500 is recommended so as to streamline the system and avoid taking up valuable Portfolio Holder time.

External Funding

9. There is already reference to external funding controls in the existing regulations. However, since the last review, the Cabinet has now agreed an external funding strategy and 'toolkit' of guidance for those within the Council who are engaged in such initiatives. The relevant section of the Regulations is now amended to refer to the new policy thereby applying that policy as part of the Council's governance arrangements through Financial Regulations.
10. The detailed wording alterations will be reproduced in a revised version (with track changes) to be submitted to the Annual Council meeting under the authority approved by the Overview and Scrutiny Committee on 14 April 2008.