

Regulatory and Other Committee

Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	18 November 2019
Subject:	Financial Regulations Update

Summary:

To provide the Audit Committee with information on feedback and comments received during consultation and the ensuing changes made to the Council's draft Financial Regulations.

Recommendation(s):

To agree and propose the final draft of the updated Financial Regulations to the County Council for approval in December.

Background

1. Our financial regulations have been updated by the Finance and Audit teams.
2. The first draft of the updated Financial Regulations prior to any consultation with Services, Corporate Leadership Team and Monitoring Officer were presented to this Committee on 23rd September 2019.
3. Feedback and comments received from the consultation and the Audit Committee have been considered and the appropriate changes have been made to the draft Financial Regulations.
4. The Audit Committee are required to consider these changes before proposing the updated Regulations to be approved by the Council on 13th December 2019.
5. The updated draft Financial Regulations are attached in Appendix A and the existing Financial Regulations are attached in Appendix B for comparative purposes.

Significant Changes to the draft Regulations presented to the Audit Committee on 23rd September 2019. (Highlighted yellow in Appendix A)

6. Paragraph B16 – The Reallocation of Budget (virement) now defines the level at which re-allocations of budget are reported, this will be at Assistant Director

level. The paragraph also defines that re-allocations will be limited to those instances where the change relates to a change in purpose to that which the budget was originally approved. The purpose of this is to limit the number of instances where a re-allocation is requested and to ensure budget monitoring can be the appropriate vehicle to identify under/over spendings rather than budget being reallocated to mask those positions.

7. Paragraphs B17-B20 are new sections relating to the bidding and accounting for external funding. These paragraphs were originally contained in the councils Financial Strategy, however, it was felt more appropriate for these conditions to be included in the Financial Regulations. The wording of the paragraphs has been amended to reflect the need to consult with rather than gain approval from Executive Councillors and the S151 Officer before making a bid and the thresholds are now defined as the value of External Funding rather than the total cost of the project or scheme.
8. Paragraph E3, Disposal of Unwanted or Obsolete Assets has been rewritten to update the values of the approval thresholds. These thresholds also include a new requirement to consult with Chief Officers, S151 Officer and Executive Councillors as appropriate.
9. Paragraph F4, Write Off of Bad Debt has been rewritten to update the values of the approval thresholds and also to bring in an additional level that requires the Executive to approve the write off of debt in excess of £500,000. Also the lower levels of debt write off are now approved by the S151 Officer rather than Chief Officer.

Financial Procedures/Scheme of Authorisation

10. Supporting the Financial Regulations are the Financial Procedures and Scheme of Authorisation. These too require updating.
11. These do not require approval by Council but we are proposing to take these to the Audit Committee on 10th February 2020.

Conclusion

It is important that Financial Regulations and associated documents are kept up-to-date. The changes proposed enables the Financial Regulations to once again become a current living document that Members and Officers alike can work within to ensure the Council's financial assets are safeguarded.

Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

not applicable

Appendices

These are listed below and attached at the back of the report	
Appendix A	Updated Financial Regulations
Appendix B	Existing Financial Regulations

Background Papers

Document title	Where the document can be viewed
Constitution	LCC connect
Audit Committee Report 23rd September 2019 - Financial Regulations Update	LCC connect

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