

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **25 November 2013**

Report of: **Director of Finance and Resources**

Subject: **LATEST FINANCIAL REGULATIONS UPDATES**

SUMMARY

Officers are currently carrying out a detailed review of each Financial Regulation in order to streamline them down to the key controls that members and officers are required to adhere to.

One more regulation has now been reviewed and is submitted for comment. This covers Regulation 19 – Income Collection and Banking.

RECOMMENDATION

That the proposed changes are considered and any comments forwarded to the Council, to aid its decision in approving these revised regulations.

INTRODUCTION

1. Financial Regulations form part of the Council's constitution and provide a detailed strategic and operational framework for managing the authority's financial affairs. There are currently twenty-one Financial Regulations.
2. Since November 2010, officers have been reviewing individual regulations and streamlining them down to the key rules that are necessary for the Council to adequately manage its financial affairs. Fifteen regulations have been completed to date.
3. The review has been completed for one more regulation which is now being brought to members for comment.

FINANCIAL REGULATION 19 – INCOME COLLECTION AND BANKING

4. [Appendix A](#) and [Appendix B](#) give the current regulation and the proposed new regulation. General changes have been made to the regulation to:
 - (a) Remove duplication with the Collection and Recovery Policy.
 - (b) Remove duplication with Financial Regulation 20 on Taxation.
 - (c) Remove duplication with Financial Regulation 14 in respect of receipt books.
 - (d) Remove duplication with the Data Protection Policy.
 - (e) Remove any technical accounting terms.
 - (f) Clarify the separation of duties requirements in relation to income collection.
5. Specific changes made to the rules are as follows:
 - (a) The regulation now stipulates that all income received should be processed promptly into the Council's financial accounting systems.
 - (b) The regulation now stipulates that the number of items present during post opening should be documented as well as the total value.
 - (c) The requirement for 2 officers to be present during a cash-up of a till has been removed. Instead greater reliance will be placed on the monitoring of overs and unders occurring during cash up.
 - (d) Income collected over £250 no longer needs to be banked within 1 working day but should be banked as soon as reasonably practical and within 5 working days. The requirement to keep income secure in the meantime has been added.
 - (e) Reconciliations no longer need to be reviewed by a manager. Instead greater reliance is being placed on there being a separation of duties somewhere within the income collection arrangements.
 - (f) Significant variances found during reconciliation no longer need to be reported to the Head of Audit and Assurance. Instead greater emphasis has been placed on the variance being investigated in consultation with the line manager. Variances occurring will, however, still be reviewed as part of the internal audit reviews of fundamental systems.

- (g) An increase in delegation has been added to allow designated service officers to write off debts under £50 where appropriate recovery action has taken place and they are deemed irrecoverable. These will still need to be logged in a quarterly report reviewed by the Statutory Chief Finance Officer.

RISK ASSESSMENT

- 6. There are no significant risk considerations in relation to this report

CONCLUSION

- 7. The proposed new approach to streamlining Financial Regulations will continue to guide the strategic and operational financial affairs of the authority in accordance with the latest national and local requirements.

Appendices:

Appendix A: Financial Regulation 19 – Income Collection and Banking - Current version ([separate attachment](#))

Appendix B: Financial Regulation 19 – Income Collection and Banking – Proposed version ([separate attachment](#))

Background Papers: None

Reference Papers:

Report of the Director of Finance and Resources to the Audit Committee on 30 November 2010 “Annual Review of Financial Regulations”.

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext 4344)