

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **23 June 2014**

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

Subject: **REVIEW OF FINANCIAL REGULATIONS**

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.

Two more parts have now been reviewed and are submitted for comment. These cover the Introductory Status of the Regulations and Regulation 3 – Responsibilities of Other Officers.

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 were originally 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. Eighteen regulations have been completed to date.
3. The review has been completed for one more regulation and the introductory status wording, which are now being brought to members for comment.

STATUS OF THE REGULATIONS

4. The first section of the current regulations consists of an overarching statement about the status of the regulations. This forms part of the rules. It has now been updated as part of the review as attached as [Appendix B](#). The previous wording in this statement is given in [Appendix A](#).

FINANCIAL REGULATION 3 – RESPONSIBILITIES OF OTHER OFFICERS

5. [Appendix C](#) and [Appendix D](#) give the current regulation and the proposed new regulation with the changes highlighted. Proposed changes to the regulation include:
 - Change the name of the regulation to 'Responsibilities of Employees and Agents of the Council'.
 - Change the tiers of employee to now be Directors and Chief Executive Officer, Heads of Service or all Employees and agents and recognise the significance of the responsibilities of the Heads of Service for financial administration.
 - Removal all duplication of specific rules found in other regulations.
 - Removal any duplication with the Anti-Fraud and Corruption Policy.
6. As the details on revenue expenditure responsibilities have now been removed from Regulation 3 to remove duplication with Regulation 8, one of the rules in Regulation 18 (Payments to Employees and Members) will also need updating as highlighted below:

18.1.4 Budgetary Control: *Responsible Officers must ensure proper financial control of their employee budgets in accordance with their revenue expenditure responsibilities in Regulation 3-2 8.*

RISK ASSESSMENT

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

CONCLUSION

8. 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: Status of the Financial Regulations – Current Version ([separate attachment](#))

Appendix B: Status of the Financial Regulations – Proposed version ([separate attachment](#))

Appendix C: Financial Regulation 3 – Responsibilities of Other Officers - Current version ([separate attachment](#))

Appendix D: Financial Regulation 3 – Responsibilities of Employees – 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)