



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Governance and Audit Committee

20 April 2022

Report of: Councillor Adam Stokes
Deputy Leader of the Council



Review of Financial Regulations

This report sets out the proposed changes to the Council's Financial Regulations which form part of the Council's Constitution.

Report Author

Alison Hall-Wright (Assistant Director of Finance & ICT)



01476 406208



Alison.hall-wright@southkesteven.gov.uk

| | | |
|----------------------------|-----------------------|------------------|
| Corporate Priority: | Decision type: | Wards: |
| Administrative | Administrative | All Wards |

| | | |
|-----------------------|--|--------------|
| Reviewed by: | Claire Morgan, Senior Accountant | 8 March 2022 |
| Approved by: | Richard Wyles, Chief Finance Officer | 8 March 2022 |
| Signed off by: | Councillor Adam Stokes, Deputy Leader of the Council | 7 April 2022 |

Recommendation (s) to the decision maker (s)

- 1. Governance and Audit Committee is asked to recommend to the Constitution Committee the updated Financial Regulations shown at Appendix A.**

1 The Background to the Report

The Council's Financial Regulations set out the overarching framework of rules for the proper financial administration of the authority and the responsibilities of those carrying out duties with a financial implication. The Financial Regulations have been reviewed to ensure they are in line with best practice and the latest CIPFA guidance.

2 Financial Regulations Review

The Financial Regulations were last reviewed and updated in line with the CIPFA Good Practice Guide during 2019/20 and were approved by Full Council on 30 January 2020. Since this review it has become necessary to review and recommend a number of minor amendments in order to ensure that the Financial Regulations support the Council operationally. The current Financial Regulations have been updated and are attached at Appendix A and the proposed changes are detailed in section 3 of this report.

3 Proposed Changes

The proposed changes to the Financial Regulations are outlined below;

- Minor wording amendments to Section 33 – External Funding including grant applications
- Amendments to the revenue and capital budget virement (transfer of budget) limits for officers and members of the Council
- Amendments to the in-year budget framework amendments for both Cabinet and Council
- Introduction of in-year financial thresholds to access discretionary reserves for one-off spend with the exception of the Local Priorities Reserve and Regeneration Reserve
- Amendment to the table detailing authorised limits for officers
- Amendments to the write-off limits

A mapping document has been attached at Appendix B which details the proposed changes.

4 Consultation and Feedback Received, Including Overview and Scrutiny

- 4.1 Governance and Audit Committee is asked to review the proposed Financial Regulations and to recommend them to the Constitution Committee.

5 Available Options Considered

- 5.1 None considered.

6 Preferred Option

- 6.1 This is set out in the report.

7 Reasons for the Recommendation (s)

- 7.1 It is recommended good practice to review the Regulations on a timely basis in order to ensure they provide the appropriate financial framework for the Council to operate within.

8 Next Steps – Communication and Implementation of the Decision

8.1 The Financial Regulations are an integral element of the Council's Constitution. The updated Financial Regulations will be considered by Constitution Committee.

9 Financial Implications

9.1 These are considered as an integral part of the review of the Financial Regulations.

Financial Implications reviewed by: Richard Wyles, Chief Finance Officer

10 Legal and Governance Implications

10.1 The Governance and Audit Committee is required to consider any proposed revisions to the Council's Financial Procedure Rules and Contract Procedure Rules. This report facilitates this requirement in respect of Financial Procedure Rules.

10.2 The Financial Regulations, if recommended for submission to the Constitution Committee for consideration, will be incorporated into the Constitution as part of its comprehensive review.

Legal Implications reviewed by: Graham Watts, Assistant Director of Governance (Deputy Monitoring Officer)

11 Equality and Safeguarding Implications

11.1 N/a

12 Risk and Mitigation

12.1 N/a

13 Community Safety Implications

13.1 N/a

14 Other Implications (where significant)

14.1 N/a

15 How will the recommendations support South Kesteven District Council's declaration of a 'climate emergency'?

15.1 N/a

16 Background Papers

16.1 N/a

17 Appendices

17.1 Appendix A – Revised Financial Regulations

17.2 Appendix B – Financial Regulations Mapping Document

17.3 Current Financial Regulations

<http://moderngov.southkesteven.gov.uk/documents/s23381/Financial%20Procedure%20Rules.pdf>

