

## COUNTY COUNCIL – 9 JULY 2013

### AMENDMENTS TO THE FINANCIAL PROCEDURE RULES – CHANGE TO CONSTITUTION

Report by Assistant Chief Executive & Chief Finance Officer

#### Introduction

1. The Financial Procedure Rules are part of the Council's Constitution and provide the framework for management of the Authority's financial affairs. They are part of the means by which the Council seeks to achieve excellence in corporate governance. They aim to demonstrate high standards of financial integrity in the delivery of services.
2. This report presents the proposed amendments to the Financial Procedure Rules for capital and includes a new section to allow the Council to act as an Accountable Body for partnerships.

#### Proposed Amendments to the Financial Procedure Rules

3. The revised financial procedure rules are attached at Annex 1. The proposed key changes are summarised below:
  - a) The current Financial Procedure Rules for capital have been in operation since June 2011 and changes in governance arrangements in that time need reflecting in the rules. The Capital Investment Board no longer exists, therefore all references to this Board are proposed to be replaced with the Cabinet.
  - b) A new level of approval in relation to capital resource allocation for the Deputy Chief Finance Officer is proposed. This amendment will allow the Deputy Chief Finance Officer to approve new additions or changes to the capital programme up to the value of £25,000. This will enable the approval process to work as effectively and efficiently as possible.
  - c) It is proposed to increase the approval level in relation to capital resource allocation for the Director for Environment & Economy and the Chief Finance Officer from £200,000 to £500,000.
  - d) Capital resource allocation over £500,000 will be approved by Cabinet; this level is proposed to increase from £200,000.

- e) An 'Accountable body' is a legal entity nominated to act on behalf of the partnership. As an 'Accountable body', the Council would take responsibility for receipt and financial probity of external funding on behalf of the partnership and ensure the proper and effective use of those funds. The proposed Financial Procedure Rules include a section on page 24 that sets up a procedure to formalise decisions to act as an Accountable body.

## **Equalities**

- 4. These changes do not require consultation with others.

## **Financial, Risk and Staff Implications**

- 5. It is considered that by making these amendments to the Financial Procedure Rules, the Council will ensure that it continues to have sound financial management policies in place and that it conducts its business effectively. These changes will also ensure that the Council continues to comply with good practice requirements concerning the management of its capital investment programme and will give a clear framework for making a decision about whether to act as an Accountable body. There are no direct financial implications or staff implications arising from this report.

## **RECOMMENDATIONS**

- 6. **The Council is RECOMMENDED to:**
  - (a) **agree the proposed changes to the Financial Procedure Rules, as outlined in Paragraph 3 above and as detailed in Annex 1; and**
  - (b) **ask the Monitoring Officer to amend the Council's Constitution accordingly.**

### **SUE SCANE**

Assistant Chief Executive & Chief Finance Officer

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