

Waverley Borough Council

Report to: Audit Committee

Date: 11th September 2023

Ward(s) affected: All

Report of Director: Governance & Transformation

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Audit Committee Chairman: Cllr Spence

Email: Julian.Spence@waverley.gov.uk

Report Status: Open

Financial Regulations Update

1. Executive Summary

- 1.1 The Audit Committee is asked to consider the update to the Financial Regulations and recommend them to the Council, in compliance with the Audit Committee Terms of Reference under Article 8 of the Constitution. Specifically, the Audit Committee is required to maintain an overview of the Council's Constitution in respect of financial regulation

2. Recommendation to Audit Committee

- 2.1 It is recommended that the Committee recommends the update to the Financial Regulations to the Council for adoption.

3. Reason(s) for Recommendation:

- 3.1 To ensure Waverley policies are kept up to date and relevant to the environment in which it works, minimising risks to the Council and its funds.

4. Exemption from publication

- 4.1. n/a

5. Purpose of Report

- 5.1 The Financial Regulations directly underpin the financial governance arrangements for the Council and affect the way services deliver on corporate priorities.

6. Strategic Priorities

- 6.1. A financially sound Waverley, with infrastructure and services fit for the future.

7. Background

7.1 The Financial Regulations were last updated and published in April 2022. In line with the commitment of continual review within the Annual Governance Statement the Financial Regulations have been reviewed and two changes are proposed in 7.3.

7.2 The objective of the update to the Financial Regulations is to enhance the Council's governance arrangements to remain secure in relation to risk

and statutory compliance and to propose changes that lead to improvements in process and efficiency.

7.3 The updates recommended.

- a. Typographical error, Money Laundering Act 2007 should read as 2017 (17.2)
- b. Typographical error in Annexe 2 of the Finance Regulation document, for Scheme of Virement. The penultimate section for Capital virement approval, should read as Executive.
- c. Title changes throughout from Head of Services to Executive Head of Services.
- d. Increase to Supplementary Estimates limit for Executive from £100,000 to £250,000 (3.27)

7.4 Supplementary estimates are requests for additional budget which cannot be found within the approved budget for the financial year. These are usually funded from reserves which are identified as part of the approval. The limit for supplementary estimates has not been increased for many years, and therefore with the impact of inflation has been reducing the relative spending power of the Executive. Officers have reviewed other authorities limits which range from nil to no limit. The increase could be considered to increase risk and reduce transparency. However, this can delay the Council's ability to be flexible and react to issues and opportunities. Therefore, on balance it is proposed to increase this limit to £250,000.

8. Consultations

8.1. The Leader and the lead Councillor for Finance has been consulted informally.

9. Key Risks

9.1. Reviewing the Councils policies will support management and mitigation of financial risk.

10. Financial Implications

- 10.1. No direct financial implication arise from this report however the policy supports the protection of public money.

11. Legal Implications

- 11.1 The Financial Regulations are part of the Council's Constitution and apply to every officer and Councillor acting behalf of the Council.

The Local Government Act 1972 (Section 151) makes the Chief Finance Officer responsible for the proper administration of the Council's financial affairs. The Financial Regulations are issued pursuant to these responsibilities.

12. Human Resource Implications

- 12.1. There are no direct resource implications.

13. Equality and Diversity Implications

- 13.1 There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010

14. Climate Change/Sustainability Implications

- 14.1. n/a

15. Overview & Scrutiny or Executive Advisory Board comments

- 15.1. n/a

16. Suggested issues for overview and scrutiny

- 16.1. n/a

17. Summary of Options

17.1. None

18. Conclusion

18.1. The objective of the update to the Financial Regulations is to enhance the Council's governance arrangements to remain secure in relation to risk and statutory compliance and to propose changes that lead to improvements in process and efficiency

20. Background Papers

19.1. There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

21. Appendices

21.1. Annexe 1 – Draft Financial Regulations Aug 2023 V6.1

21.2. Annexe 2 – Current Financial Regulations V6

Please ensure the following service areas have signed off your report.
Please complete this box, and do not delete.

Service	Sign off date
Finance / S.151 Officer	8/8/23
Legal / Governance	31/8/23
HR	n/a
Equalities	n/a
Lead Councillor	TBC
CMB	15/8/23
Executive Briefing/Liaison	TBC
Committee Services	

