

| Report of: | Meeting | Date |
|---|-------------------------------|------------------|
| Corporate Director Resources (Section 151 Officer) | Audit and Standards Committee | 14 November 2023 |

Annual Review of Financial Regulations and Financial Procedure Rules

1. Purpose of report

1.1 To review the Financial Regulations and Financial Procedure Rules.

2. Outcomes

2.1 Evidence that the council has arrangements in place to maintain a sound system of internal control.

3. Recommendation

3.1 Members are asked to note the proposed changes summarised in paragraph 5.1 and to approve the updated Financial Regulations and Financial Procedure Rules set out in Appendix 1 of this report which can be viewed on the council's website at:

<https://wyre.moderngov.co.uk/ieListDocuments.aspx?CId=149&MId=1700&Ver=4>

4. Background

4.1 The Financial Regulations and Financial Procedure Rules form part of the council's governance structure and help to demonstrate that arrangements are in place to maintain a sound system of internal control.

4.2 The Financial Regulations and Financial Procedure Rules were subject to a major review and updated in accordance with best practice and guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) prior to being agreed by the Standards Committee at their meeting on 14 October 2004 and the Council meeting on 11 November 2004. In addition an annual review is completed by the Head of Governance and Business Support and the Procurement Officer and reviewed by the Corporate Director Resources (Section 151 Officer). The last review was completed in November 2022.

- 4.3** Consideration may need to be given to carrying out a further review to the Financial Procedure Rules Appendix F – Contract Procedures in Summer 2024 in preparation for the new Procurement Act 2023 that is scheduled to come into force from October 2024.

5. Key Issues and proposals

- 5.1** A number of amendments are proposed, namely:

- Amended to reflect the correct title of the Head of Assets and Development (Part 4.06/3 Para 1.4 g);
- A number of amendments have been made throughout the document to reflect the amalgamation of the Audit and Standards Committees (various);
- Amended to reflect that the council have again opted into the national procurement exercise in respect of the appointment of our External Auditors for the next five years commencing with the 2023/24 audit (Part 4.06.01/10 Para C8);
- Amended to reflect the virements threshold limit being raised from £20,000 to £25,000 in line with other existing or proposed limits/thresholds in the Constitution (Part 4.06.02/2 Para 1.12-1.14);
- A number of amendments have been have made throughout the document to reflect the anticipated change to the name of the former Business Plan to Council Plan (various);
- Amended to reflect the council current vision ‘Wyre – proud, ambitious and thriving... together we make a difference’. However it should be noted that this is subject to change within the next twelve months following a refresh of the Council Plan (Part 4.06.06/16);
- Amended to reflect a change to the financial limit when officers are required to obtain three quotes from £10,000 to £25,000. This amount has not been updated for many years and the suggested change reflects greater consistency with other existing and proposed financial thresholds in the Constitution and is in line with arrangements found at other local authorities (Part 4.06.07/2);
- Amended to reflect the requirement that all contracts to be tendered must be registered on ‘Contracts Finder’ in addition to the CHEST (over £25,000) and the Find a Tender service (Part 4.06.07/4);
- Removed the wording referencing the ‘new Public Contracts

Directive' as no longer considered relevant (Part 4.06.07/06);

- The Procurement Flowchart has been amended to reflect the new financial limits as mentioned above (Part 4.06.07/2&4) and to include a footnote to remind officers that all contracts with new suppliers over £10,000 must be signed by a second authorised signatory if signed below a Head of Service or the Legal Services Manager level (Part 4.06.07/11);
- Amended to reflect that the contract variation limit has also been increased to £25,000 (from £20,000) in line with other limits/thresholds in the Constitution (Part 4.06.07/15,18,22); and
- A number of other minor amendments have been made throughout the document to correct typographic errors, grammar and so on.
- All amendments have been track changed for reference.

| Financial and legal implications | |
|---|---|
| Finance | None arising directly from the report. |
| Legal | The adoption of clear and up to date advice should ensure legal probity and good governance of the council. |

Other risks / implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with an x.

| risks/implications | ✓ / x |
|---------------------------|--------------|
| community safety | x |
| equality and diversity | x |
| sustainability | x |
| health and safety | x |

| risks/implications | ✓ / x |
|---------------------------|--------------|
| asset management | x |
| climate change | x |
| ICT | x |
| data protection | x |

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed

and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

| report author | telephone no. | Email | date |
|-------------------|---------------|--|----------|
| Joanne Billington | 01253 887372 | joanne.billington@wyre.gov.uk | 31.10.23 |

| List of background papers: | | |
|-----------------------------------|------|--------------------------------|
| name of document | date | where available for inspection |
| None | | |

List of appendices

Appendix 1 – Proposed changes to Financial Regulations and Financial Procedural Rules (published on web site).